

**SPECIAL ISSUE**

**WORK AND THE WORLD ECONOMY**

March 31-April 13, 1997

# IN THESE TIMES

## Does globalization matter?

A dialogue  
between

Doug Henwood and  
Hector Figueroa.

\$2.50/CANADA \$3.00



David Moberg on sweatshops.  
Chris Seymour on Robert Reich.  
James West on South Korea.

LICENSED TO UNZ.ORG  
ELECTRONIC REPRODUCTION PROHIBITED



# EDITORIAL

## THE CONSPIRACY AGAINST PEACE IN ISRAEL

**B**enjamin Netanyahu's narrow victory in Israel's elections last May led the *New York Times* to write that the Arab-Israeli peace process was now "effectively dead." His victory, after he made his opposition to exchanging land for peace all too clear, would "badly delay, if not destroy, the dream of a wider peace," the *Times* predicted.

In the 10 months between then and now, Netanyahu has done everything possible—given the constraints imposed on a government leader under great international pressure to seek accommodation—to prove this fear correct. In one action after another apparently designed to humiliate the Palestinian people, Netanyahu has ignored the idea of partnership and flaunted Israel's superior power as well as his party's disregard for Palestinian rights and desires. Finally, two weeks ago, a deranged Jordanian soldier shot and killed seven Israeli teen-age girls on a school outing, thereby symbolically marking the apparent fulfillment of the *Times*' prediction.

The massacre, though totally unforeseeable in its actual form, could not have come as a great surprise. Only days before the shooting, Israel's most accommodating friends in the Arab world—Egypt's Hosni Mubarak and Jordan's King Hussein—had warned that some form of violence was all but certain to occur as a result of Netanyahu's actions. In early March, Netanyahu unilaterally decided to withdraw Israeli troops from only 9 percent of the West Bank—7 percent of which was already under Palestinian civil authority. This fell far short of the 30 percent Palestinians had called for. Around the same time, he announced his decision to start construction of a new Israeli settlement in East Jerusalem.

Mubarak warned that if the new Har Homa settlement went ahead, Palestinian resentment might explode. "There will be violence," he said, "and Arafat will never be able to

control it." The Egyptian president questioned Netanyahu's "deliberate humiliation" of his so-called partners. "I cannot believe that the people of Israel seek bloodshed and disaster," he said.

Netanyahu, of course, ignored these warnings. Instead, when disaster struck, he seized the opportunity to suggest that Yasir Arafat was behind this latest explosion of suppressed popular rage. In a burst of self-righteousness, he thundered, "If someone thinks he will break our spirit and that we will give up the holy land and our eternal capital, he doesn't know [our] great strength." In an incredible statement that turned the history of Israeli expansionism on its head, Netanyahu added

that the Palestinian leadership may be planning to fake "spontaneous violence" in order to create "the impression that [it] is not involved." But, he said, "this time the tactic will not work for them. This time we are ready and determined."

To underline Netanyahu's warning, Israeli Justice Minister Tzahi Hanegbi told a meeting of the Likud party that if violence breaks out again, the Israeli army might occupy all Palestinian areas and drive Arafat back into exile. "If we have to fight for our lives again," he said, "Arafat will not be able to sit on the beach" with his wife "and give instructions to shoot. ... We will drive him back to traveling the Tunis-Baghdad route, as he once did."

Meanwhile, in the face of these provocations, Arafat has been hung out to dry by the Clinton administration. The administration has urged Netanyahu not to start construction of the new settlement in East Jerusalem. But it has refrained from putting serious pressure on Israel. Instead, it cast the only vote against a U.N. resolution condemning the new settlement, and has put heavy pressure on Arafat to crack down hard on violent outbursts by Palestinians.

But given the overwhelming disproportion of power enjoyed by Israel, and the present government's intransigent insistence on dominating and demeaning the Palestinian people, there is little Arafat can do now to stop the coming storm. "The government of Israel has halted" the peace process, Arafat said. "It is leading us by the nose, literally. Its decisions, which it wants to impose on us, are truly a conspiracy against peace."

Arafat is already under pressure from Palestinians for bending too far in Israel's direction. If he gives in much more to Netanyahu, his own people will turn on him. If he stands his ground, the deadlock will lead to a popular uprising against the Israelis.

No one can stop the further deterioration of peace except Netanyahu, and he can do so only by resigning or by reversing his policies.

*In words  
and deeds,  
Netanyahu  
pursues a  
policy designed  
to humiliate  
the Palestinian  
people.*

**IN THESE TIMES**  
 "...with liberty and justice for all"

**Editor:** James Weinstein  
**Managing Editor:** Deidre McFadyen  
**Senior Editors:** Joel Bleifuss, David Moberg,  
 Salim Muwakkil  
**Culture Editor:** J.W. Mason  
**Asst. Managing Editor:** Dave Mulcahey  
**Copy Editor:** Lisa Robbins  
**Contributing Editors:** Patricia Aufderheide,  
 Linda DeLibero, Miles Harvey,  
 Diana Johnstone, Pete Karman,  
 Chris Lehmann, Jim McNeill, Fred Weir  
**Editorial Interns:** Norman Wishner

**Art Director:** Peter Hannan (on leave)  
**Acting Art Director:** Kit Boyce  
**Assistant Art Director:** Jim Rinnert  
**Cartoonist:** Terry LaBan

**Publisher:** James Weinstein  
**Associate Publisher:** Beth Schulman  
**Assistant Publisher:** Claudia Morris

**Business Manager:** Robert Larson  
**Circulation Director:** Jake Blankenship  
**Advertising Director:** Patricia Gray

*In These Times* (ISSN 0160-5992) is published biweekly by the Institute for Public Affairs, 2040 N. Milwaukee Ave., Chicago, IL 60647. Subscriptions are \$36.95 a year (\$59 for institutions; \$61.95 Canada; \$75.95 overseas). Second-class postage paid at Chicago, IL and at additional mailing offices. Postmaster: Send address changes to *In These Times*, 309 E. Hitt St., Mt. Morris, IL 61054. This issue (Vol. 21, No. 9) published March 3, 1997, for newsstand sales March 17-30, 1997. (773) 772-0100. Member: Alternative Press Syndicate. The entire contents of *In These Times* are copyright ©1997 by the Institute for Public Affairs, and may not be reproduced in any manner, either in whole or in part, without permission of the publisher. Copies of *In These Times* contract with the National Writers Union are available upon request. Complete issues and volumes of *In These Times* are available from University Microfilms International, Ann Arbor, MI. All rights reserved. *In These Times* is indexed in both the Alternative Press Index and the Left Index. Publisher does not assume liability for unsolicited manuscripts or material. Manuscripts or material unaccompanied by stamped, self-addressed envelope will not be returned. All correspondence should be sent to: *In These Times*, 2040 N. Milwaukee Ave., Chicago, IL 60647. E-mail: itt@ipc.apc.org. For customer service and to place subscription orders, call toll free: (800) 827-0270. Advertising rates sent on request. Available back issues are \$5 each; specify volume and number. All letters received by *In These Times* become property of the newspaper. We reserve the right to print letters in condensed form.



COVER ©1997 KIT BOYCE

# InTHESETIMES

## CONTENTS

Volume 21, Number 10

## Does globalization matter?

*A dialogue between*

*Doug Henwood and Hector Figueroa.*

14

## Work ethics

*Big retailers are being  
 pushed to take responsibility  
 for the sweatshop monsters  
 they helped create.*

DAVID MOBERG

19

## Tiger by the tail

*Can South Korea's highly  
 regulated economy survive  
 globalization?*

JAMES M. WEST

22

## Reich's sorry reign

*The labor secretary came in  
 with a bang and left with  
 a whimper.*

CHRIS SEYMOUR

26

## FEATURES

- The First Stone: Agribusiness goes whole hog** • Joel Bleifuss .....12  
**Benjamin Chavis' conversion to Islam** • Salim Muwakkil.....29  
**In the End: Dear Ideologist** • Pete Karman.....40

## REVIEWS

- In the Arts: Global cinema** • Jonathan Rosenbaum .....32  
**In Print: The Deng Xiaoping Era** • James North .....35

## DEPARTMENTS

- Letters** .....4  
**Sylvia** • Nicole Hollander .....4  
**In Short** .....6  
**Appall-O-Meter** .....7  
**The Big Picture** • Peter Kuper .....8  
**Huge Mouth** • Peter Hannan.....11

# LETTERS

## Call the sitter

Kim Phillips' article on the lack of childcare ("The parent trap," February 17) is based on several false assumptions. One is that childcare is the exclusive preserve of the mother. That assumption might be well-founded if the article were about single mothers, but it isn't. It's about working-class mothers, married or single. Nowhere does Phillips acknowledge the father's responsibility. Evidently, *ITT* shares this assumption by making the article part of its "Special Women's Issue." Of course, it is true in the real world that women bear almost all the burden of childcare, but shouldn't *ITT* critically examine this issue?

Phillips' second assumption is that the cost of childcare should be borne by the government. That may have made sense in our mothers' and grandmothers' generations, when without reliable birth control, people had little control over the size of their families.

Now, whether or not to have a baby is up to the woman. Since it's a choice, no one other than the people who made the choice—and took on the attendant responsibilities—should assume the cost of raising the child.

But most wide of the mark is the author's—and *ITT*'s—pronatalism. The argument in favor of subsidized childcare is based on the assumption that having children is a responsible act. Given the fact that there are now close to 6 billion humans on the planet, that assumption needs to be called into question.

Judy Reardon  
Silver Spring, Md.

## Flying solo

Kevin Kelly's "Flying the perilous skies" (March 17) was a welcome relief from the inane reporting not only of the establishment press but also of the radical press on the threatened

strike by American Airlines pilots. But I think he missed a couple of points.

Internal union bickering and bad press were certainly part of the reason the AFL-CIO backed off. But wasn't the fact that the strike presented a serious problem for John Sweeney's embattled friend Bill Clinton also a factor? And let's not overlook the dangerous precedent that might have been set. God forbid the AFL-CIO should get mixed up in a strike that had every chance of winning a smashing victory!

Ernie Haberkern  
Berkeley, Calif.

## Behind the makeup

Joel Bleifuss is to be commended for his recent articles on toxics in cosmetics ("The First Stone," February 17 and March 3). I have long suspected that these chemicals have been poisoning women, and I intend to share the information with many friends. But I have two complaints.

First, the article fails to question why women feel they need to spend billions of dollars—and who knows how much time—buying and using cosmetic products in the first place. The bigger picture is about the oppressive beauty standards that women are brainwashed into trying to measure up to in this patriarchal world.

My other, related complaint is about the artwork that accompanies the first article. The depiction of a woman whose large breasts overflow

SYLVIA

by Nicole Hollander



her low-cut top cannot be fully understood as satire (if, in fact, this is a correct assumption) without any analysis in the article of the objectification of women through sexist beauty standards and body image.

Articles like these present good facts and figures that the mainstream media often obscure, but they lack a radical critique of the status quo. Bleifuss encourages readers to read the labels on products before they buy them, rather than to question buying the products at all.

Amy Donohue  
Airville, Pa.

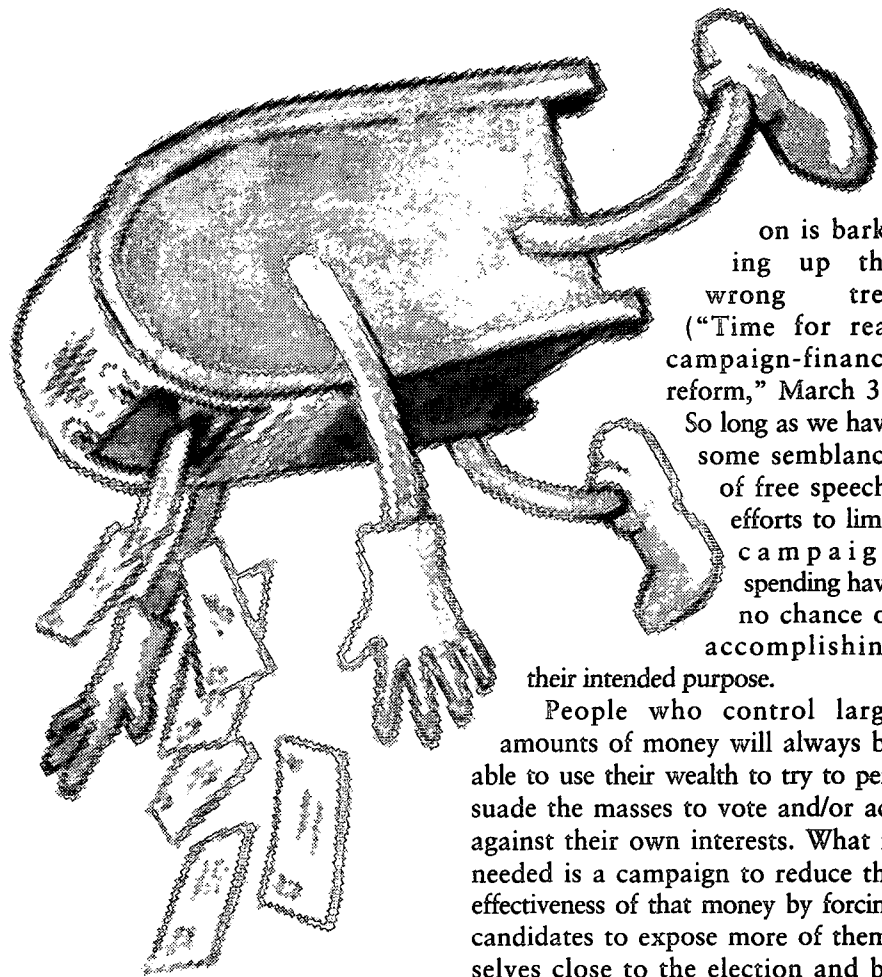
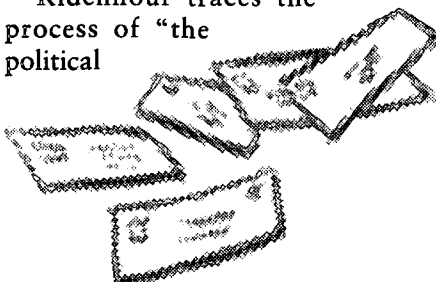
## Lies for all times

Vietnam combat veteran Ron Ridenhour's review of three books on the "big lie" of the Vietnam War ("What we learned in Vietnam," March 3) was a moving eye-opener.

As a World War II B-17 navigator, my eyes were opened to the big lie of war when I saw the 60,000-foot smoke cloud rising from the firestorm our bombers created in Hamburg. We were waging a war on civilians that was a thousand times more deadly than the attacks of Mussolini's and Hitler's bombers on Spanish cities or Hitler's assaults on Coventry and other English cities, which we condemned as inhuman war crimes. My eyes were opened again when I listened to fighter pilots brag of how they shot fishermen in their boats.

Such experiences turned me into a peace activist after I put away my uniform. This was the spark for the denominational resolution I wrote calling on Unitarian Universalists to place initiatives for a bilateral nuclear-weapons freeze on state and local ballots.

Ridenhour traces the process of "the political



on is barking up the wrong tree ("Time for real campaign-finance reform," March 3). So long as we have some semblance of free speech, efforts to limit campaign spending have no chance of accomplishing

their intended purpose.

People who control large amounts of money will always be able to use their wealth to try to persuade the masses to vote and/or act against their own interests. What is needed is a campaign to reduce the effectiveness of that money by forcing candidates to expose more of themselves close to the election and by increasing voter participation through both aggressive, automatic voter registration and voting by mail.

Requiring commercial TV to provide blocks of time to all candidates would just increase the advertising burden borne by us all. It would be more helpful to use C-SPAN resources already in place for serious, substantial debate and discussion close to the election. Impartial (if that's not too Pollyanna-ish) bodies could moderate real debates around important issues. Commercial TV could then extract segments to air, but the whole debate would remain available to anyone.

S. Rennacker  
Berkeley, Calif.

Nicholas V. Seidita  
Northridge, Calif.

art of public deceit" from the Vietnam War through the subsequent hot-war components of the Cold War. What Ridenhour misses, but made me aware of, is that this art is and always has been an inseparable part of all conflicts for power, military and otherwise. In the struggle for political and economic power, the political art of public deceit has reached new heights of effectiveness, cost and destruction, turning the poor, immigrants and the government into the enemy.

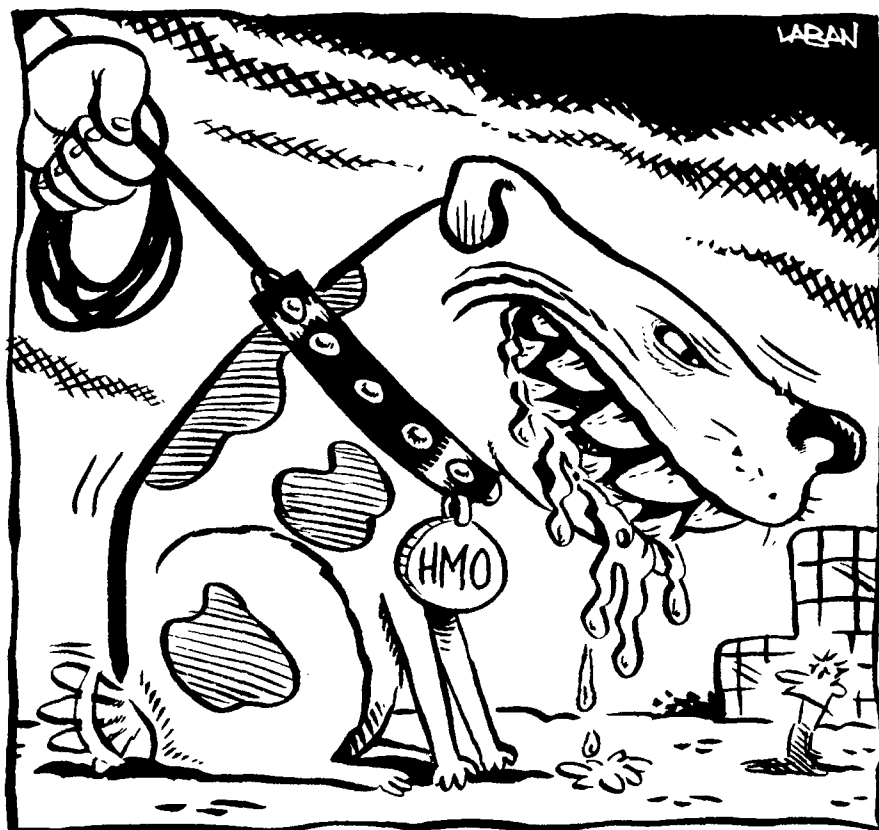
## Wrong-headed reforms

If you don't mind the badly mixed metaphor, the campaign-finance reform bandwagon you have jumped

Editor's note: Please try to keep letters under 250 words in length. Otherwise we may have to make drastic cuts, which may change what you wished to say. Also, if possible, please type and double-space letters.



# InSHORT



## The limits of managed-care reform

**I**n February, New Jersey's Department of Health unveiled what some observers consider to be the strongest consumer protections regulating HMO health plans in the nation. Unlike the incremental approach to reform favored by the Clinton administration and many state governments, New Jersey regulators addressed a wide range of abusive practices. The state now bans the gag clauses HMOs impose on doctors forbidding them to discuss with patients treatment options the companies don't cover. The regulations also require full disclosure of all financial arrangements between HMOs and health care providers. HMOs will be required to pay for all emergency room visits, even when they turn out not to be "technical emergencies" according to

HMO rules.

New Jersey also established a three-stage appeals process for resolving disputes that arise between managed-care insurers, doctors and the 2 million state residents currently enrolled in HMOs. Some critics criticize the appeals process, which is nonbinding and allows only small penalties for errant HMOs, as a weak framework for reforming the industry. "These regulations are an important first step in making HMOs more responsive to the needs of patients and improving the quality of care," says Anthony Wright of New Jersey Citizen Action, a leading group in the push for reform. "But more work still lies ahead making access to quality health care universal for Americans."

New Jersey is not alone in reining in HMOs. Politicians at both the state and federal levels have begun to respond to public outrage at the more egregious practices of the managed-care industry. Congress and legislatures in states such as New York, Georgia and Maryland will consider bills this year—or have already enacted regulations—protecting patients' rights and prohibiting abusive practices such as "drive-through" mastectomies.

Still, such measures are a long way away from the Canadian-style single-payer system that, according to recent polls, most Americans prefer to a system dominated by the private insurance industry. More importantly, health care reform—whether piecemeal or more ambitious—that leaves the private insurance industry in control of health care does little to help the uninsured. According to managed-care

apologists, HMOs were supposed to expand the ranks of the insured by making health care more efficient and affordable. Yet even though health care costs grew by a mere 3 percent last year—the lowest increase in 30 years—employers appear not to have expanded coverage to any significant degree. More than 40 million Americans, a large proportion of whom work full time, still have no access to health insurance. (When Clinton proposed his unsuccessful health care reforms in 1993, 37 million were uninsured.) Ironically, in the wake of patient-friendly reforms such as those in New Jersey, the managed-care industry now projects that costs will start rising—which may force many employers to drop existing coverage to protect profits.

© 1997 TERRY LABAN

Efforts to regulate managed care and the HMO industry primarily benefit those already covered by workplace health plans but who are dissatisfied with the quality of their care. Proponents of a single-payer system, such as Physicians for a National Health Plan, argue that health care reform aimed at employer-based, private insurance will never lead to universal coverage in the United States. As long as the debate over health care reform remains centered around the issue of controlling costs and protecting the profits of businesses and insurance companies, the ranks of the uninsured will only continue to swell.

—Ron Bigler

© 1997 PETER HANNAN

## Hong Kong: After Deng, the deluge

He may have been known as the butcher behind the 1989 Tiananmen Square massacre and the organizer of China's even bloodier 1957 anti-rightist purges, but Deng Xiaoping was the best friend Hong Kong had in Beijing. It was Deng who in 1984 set the ground rules for the Chinese takeover of Hong Kong: "one country, two systems," "50 years of no change," and "Hong Kong people ruling Hong Kong." With Deng gone, Beijing bureaucrats, provincial officials and other powerful forces in China are preparing to claim their piece of the Pearl of the Orient.

These forces held off until Deng actually died. As long as Deng remained alive, even comatose, his coterie of family and political henchmen could speak in his name and no one dared openly challenge his political line or succession wishes. Even if Deng's anointed successor, Chinese president Jiang Zemin—an opportunist of few discernable principles—were inclined to honor his mentor's stated intentions toward Hong Kong, he lacks the will or the authority to compel others to do so. And there are many powerful Chinese who have quite different notions about how the territory, to be known as the Hong Kong Special Administrative Region of the People's Republic of China, should be governed.

First there are the remnant Maoists, the leftist—or as they're sometimes called in the Western press, "conservative"—faction now centered around Deng Lique (no relation to Deng Xiaoping). This faction, whose power base is a Beijing think tank that includes some important "princelings" (children of senior party leaders), vehemently opposes the bourgeois influences washing over China since Deng's introduction of market reforms. In their view, free speech, free press and democratic political parties within China's borders threaten what's left of "Marxism-Leninism-Mao Zedong Thought" and one-party rule in China. They view Hong Kong as a Western Trojan horse, and they will push for tight control of the city.

Continued on page 9

## APPALL-O-METER

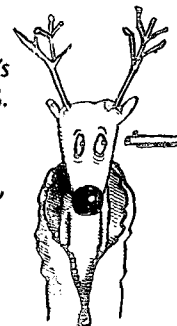
THE IN THESE TIMES INDEX OF INDECENCIES



By David Futrelle

### Deer Hunter, Part II 8.3

Looking for a nice sturdy bag to carry deer carcasses back from the hunt? Why not try an authentic U.S. Military Body Bag—for only \$14.97 a pop! "Easily transport game or gear in this footlocker-sized Body Bag without mess, smells or hassle," the *Sportsman's Guide* catalog declares. "Yes, my friend, the U.S. military uses these Body Bags for transporting those who served and paid the price. But on a brighter note, YOU can use these BRAND NEW, never issued bags to transport your harvested game in or out of your vehicle, without the mess."



### French kiss-off 4.5

The French and the British seem to have stumbled into yet another, rather uncivil war of words, if a recent story in London's *Daily Telegraph* is any indication. This new round in the ongoing culture war was sparked by the publication of a new history textbook used in French schools. The bilingual text portrays Britain as socially backward, economically bankrupt and populated by xenophobic snobs, and a country that "in social matters has taken a gigantic step—toward the past." Conservative politicians in Britain are outraged, naturally, and have answered the slight with, er, xenophobic snobbery. "This just reflects the true view that the French have of the British," exclaimed Teresa Gorman, Conservative member of parliament from Billericay. "[I]t was us coarse British who ran the Industrial Revolution while the French were sitting around knitting doilies, before chopping up their aristocracy. That's how civilized they are."

### Profiles in contrition 6.1

It's rare these days for public officials to admit their mistakes—rarer still when their apologies are sincere. Romeo Arguelles, the Philippine ambassador to Germany, recently caused a stir in his homeland when he told travel-industry representatives that "we want the Germans to come to our country and marry our women," Reuters reports. After a Philippine women's rights organization demanded his ouster, declaring him a "pimp," Arguelles released a clarification. You see, he explained, his remarks about Filipinas weren't intended to be denigrating; they "were simply to celebrate the fact that men of every nation find their beauty to be irresistible."

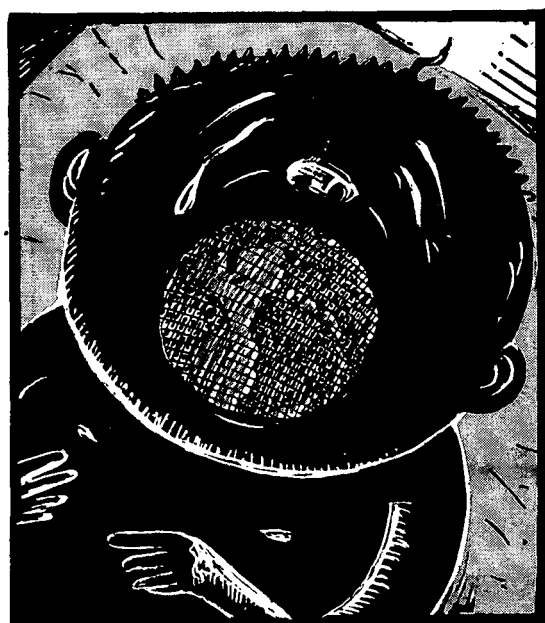
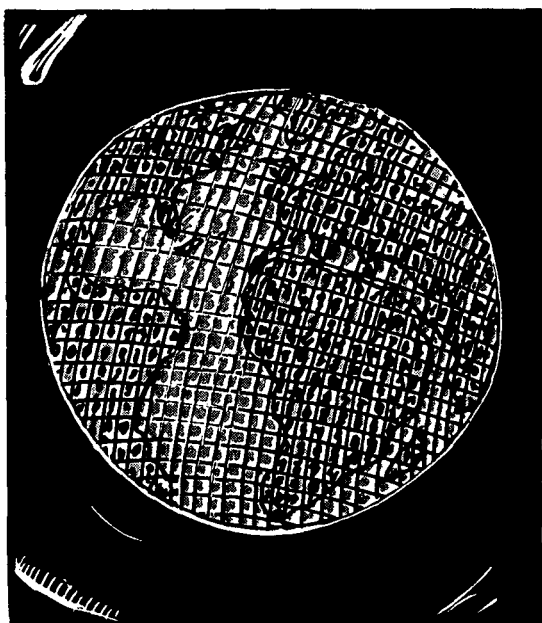
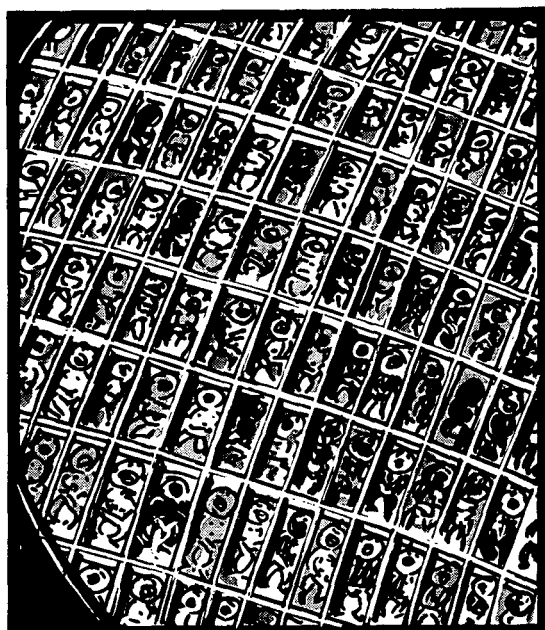
Meanwhile, a British judge has apologized, in his own way, for using the word "nigger" in his courtroom. In the midst of a discussion about Social Security health-benefit fraud, the *Daily Telegraph* reports, William Crawford of Newcastle Crown Court was overheard saying that he knew "many people with duodenal ulcers who work like niggers." It seems the judge meant the term as a compliment of sorts. As he explained in his apology the next day, "I intended no slur against anyone as the context makes clear. I much regret if my inadvertent use of this expression has caused offense."

# THE BIG PICTURE



EYE OF THE BEHOLDER

BY PETER KUPER





Continued from page 7

Jiang's desire to accommodate this faction probably explains why China's National People's Congress recently approved the gutting of Hong Kong's legislative bill of rights and the restoration of draconian colonial-era laws restricting public assemblies and quasi-political organizations. Jiang and his rivals seem to be following one of the cardinal axioms of post-1949 Chinese politics: In a political struggle, it's safer to err by being too leftist than by being too rightist. Hong Kong's democratic movement is preparing for the worst. "Our main strategy will be to stay alive," says Minky Worden, an aide to Democratic Party Chair Martin Lee, explaining the difficulties democratic parties will have to overcome to survive.

Hong Kong will also have to steel itself against the predations of mainland economic power blocs, including the People's Liberation Army—China's largest industrial conglomerate—and a number of Chinese government ministries with their own major corporations. If left intact, Hong Kong's governmental and legal systems would make it difficult for such Chinese interests to gain unfair advantage. British common law and a British-style civil service limited the influence of "guanxi"—or connections, the Chinese way of getting things done—in Hong Kong affairs. Now, however, guanxi is likely to become the city's *modus operandi*. Those who have connections with high party and government officials—especially in neighboring Guangdong, Fujian and the independent municipality of Shanghai—will be able to pressure or entice Hong Kong businesses into cutting deals to the disadvantage of shareholders and local residents in everything from property to the territory's key industrial and commercial sectors.

## Land of Pagodas ... and pimps

IN THEIR QUEST FOR HARD CURRENCY, BURMA'S MILITARY DICTATORS ARE trying to exploit another natural resource—the country's virgins. A recent issue of *Today*, a tourist magazine published by the Burmese tourism office, features the story "Land of Virgins and Restful Nights." According to the story, recently excerpted in *Might* magazine, "Myanmar has long been known as the Land of Pagodas, but very few persons, if any, seem to be aware that it has also been a Land of Virgins."

"Fine smooth facial skin free from blemishes" is the Burmese virgin's "trademark," the story continues. And trade—skin trade—is what this subtle come-on is all about: "Myanmar girls and young women go about flaunting their virginity. Of course, there may be a few imposters among them. ... [B]ut

most [visitors] go away highly satisfied with their visit to the Land of Pagodas and—now that you know—of Virgins, too. ... May they retain [their virginity] as long as they can or should!" —Joel Bleifuss



Deng warned against such manipulation, but now no one, including Jiang, seems to have the political power or stature to block them.

In Hong Kong, most ordinary people seem resigned. "What can we do?" asks taxi driver Wong Yew Meng. "China is creating a puppet government, and they're not going to allow people to criticize them. I left China to get away from that, and now it's coming to me."

—Dave Lindorff

## Trouble brewing

THE NEXT TIME YOU PLUNK DOWN \$1.25 FOR A STARBUCKS "COFFEE OF THE DAY," CONSIDER THIS: YOU'VE JUST SPENT the equivalent of a day's wages for one unlucky family of Guatemalan peasants that picks beans for the company. That's according to staff members of the U.S./Guatemala Labor Education Project, who in February interviewed workers at a plantation from which Starbucks buys coffee. Some of the plantation's workers did better, but they all earned much less than the \$8 (a Rumba Frappuccino and a Mocha Valencia at Starbucks) that a Guatemalan family requires to meet daily basic needs.

Two years ago, the Labor Education Project spearheaded a campaign to force Starbucks to use its buying power to establish minimum labor standards for coffee growers. In October 1995, the company unveiled a "framework for a code of conduct," entitled "Starbucks Commitment ... To Do Our Part," in which it resolved to set wages and benefits at levels that "address the basic needs of workers and their families." For these kind words, the Council on Economic Priorities, a New York-based group that promotes "corporate responsibility," gave Starbucks its 1996 Corporate Conscience Award for International Human Rights. The Labor Education Project, however, is looking for deeds. It will resume leafleting at the coffee chain's outlets in late April. —J.B.

# End of the line for mines?

**L**and mines kill or maim one person every 20 minutes. Scattered around the world by the millions, they continue the indiscriminate slaughter of war for years after combatants have left the battlefield. But thanks to a broad-based international campaign, a global ban on anti-personnel land mines (APMs) may be in place by the end of the year.

In late February, some 450 participants from 60 countries met in Maputo, Mozambique, for the fourth International Conference on Landmines. Organized by the International Campaign to Ban Land Mines, a coalition of 400 organizations devoted to arms control, human rights, development and medical assistance, the conference addressed the myriad problems caused by land mines: medical and social needs of victims, mine clearance and damage to agricultural land. Participants also advanced a two-track political agenda to produce a treaty banning APMs and to strengthen national campaigns against mines.

Representatives of several governments, nongovernmental organizations and international agencies met last September in Ottawa to set a timetable for drafting a new convention banning mines. To the delight of ban advocates and the surprise of mine-producing states, the effort has moved along on schedule. By February, a rough draft of the convention was completed. The draft calls for a ban on the production, use, stockpiling, import and export of APMs, and requires existing stocks to be destroyed. Representatives will work on the details at a June meeting in Belgium and a September session in Norway, and a final document will be ready for signing in Ottawa in December. Canadian officials estimate that 40 to 50 countries will sign the ban, although three major mine producers—China, Russia and Pakistan—have shunned the initiative.

Meanwhile, some Western mine producers, including the United States and Italy, are playing both sides of the street, endorsing the ban but promoting policies to slow down negotiations. Speaking at the Maputo conference, U.S. Embassy official Michael McKinley said Washington differs with the campaign “over tactics, not the desired goal.” He said the United States favors negotiations in the

Conference on Disarmament in Geneva. Such “comprehensive” talks, he said, would “deal with, not sidestep, reluctant states” such as China and Russia, who are members of the Geneva Conference.

This argument is deceptive on two counts. First, the Conference on Disarmament operates by consensus, which makes it easy for any one country to block progress. This already appears to have happened: A week before the Maputo meeting, the Geneva Conference approved its agenda—and a ban on mines is not on it. Second, few treaties are born comprehensive. The most obvious example is the nuclear Non-Proliferation Treaty of 1968, which was negotiated by only the United States and the Soviet Union and was not signed by China and France until 1992.

Campaigners for the mine ban argue that it's better to get as many countries as possible on board immediately and

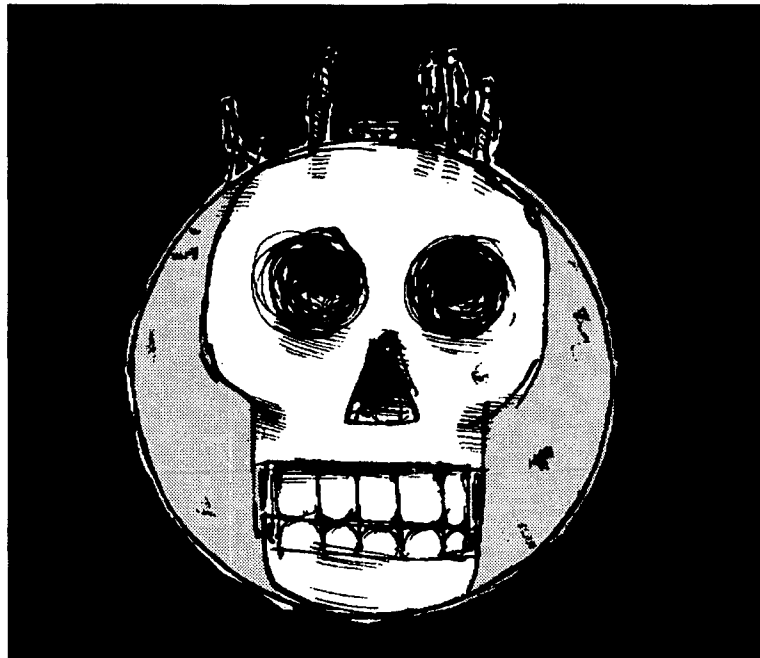
work on the laggards later than to park the issue in Geneva. U.S. organizers have planned a campaign, including a series of public events scheduled for May 16, to convince Clinton to drop the smoke and mirrors and commit to the Ottawa process.

The anti-mine coalition's second track—strengthening national, especially African, anti-mine campaigns—has showed results as well. Five new campaigns (in

Angola, Kenya, Somalia, Zambia and Zimbabwe) were launched during the lead-up to the February conference. South Africa, the continent's major mine producer, came out in favor of the ban a week before the conference and committed itself to destroying its stockpile of mines. Four other African states, including Mozambique, committed themselves to a ban during the meeting. The International Campaign to Ban Land Mines and pro-ban governments will press the issue further at a meeting of the Organization of African Unity in April.

The circle is tightening around what has been dubbed a weapon of mass destruction in slow motion. Even if a handful of countries continue to produce mines, the ban convention and the international campaign will continue to reduce the market for APMs and stigmatize anyone who has anything to do with the weapon. For once, the momentum is on the side of the peacemakers.

—Jim Wurst



©1997 PETER HANNAN



# Progressive group off and running

In January, the Congressional Progressive Caucus, intellectuals and leaders of two dozen public-interest groups came together to discuss how they could work to promote a progressive legislative agenda on Capitol Hill. The forum, held under the banner "Progressive Challenge," was organized by the caucus and the Institute for Policy Studies (see "Whose party is it?" February 3).

Since the last Congress, the Progressive Caucus has gained six new members for a total of 58, while the coalition that co-sponsored the Progressive Challenge has grown to include 31 groups. "We are trying to formalize a structure and get funding to take things to the grass roots," says Karen Dolan, a staffer at the Institute for Policy Studies and a Progressive Challenge organizer. "A lot of people are responding around the country and want to be involved, but right now we don't have a way of getting them involved." Organizers have discussed setting up a separate grass-roots lobbying organization and connecting the national Progressive Caucus with progressive caucuses in state legislatures. "But we need to have a budget for that and more formal structures and staff," Dolan says.

The Progressive Challenge led to the creation of 10 working groups that are now formulating progressive policy initiatives on issues ranging from campaign-finance reform to jobs and managed care.

The group working on welfare reform, chaired by Washington, D.C.'s congressional delegate Eleanor Holmes Norton, California Rep. Lynn Woolsey and Stewart Campbell of the Coalition on Human Needs, plans to draw up an omnibus bill to reform welfare reform. "Our goal is to create a coordinated effort at reform," says Antonia Juhazs, a legislative assistant to Rep. John Conyers of Michigan. "We want to pool the advocacy and nonprofit community with the Congressmembers and actually create legislation."

The Social Security working group, chaired by New York Rep. Jerry Nadler, will try to defend Social Security from attempts at regressive change, according to Mark Weisbrot, research director at the Preamble Center for Public Policy.

On March 10, the working group on an alternative defense budget convened under the guidance of Rep. Barney Frank. According to Brookings Institution Senior Fellow Larry Korb, reducing defense spending will prove difficult. Clinton is afraid of the military, Korb says, and Republicans in Congress think the president is vulnerable on that issue. The military continues to exaggerate threats to national security, and communities around the country are afraid of losing arms-industry jobs.

Faced with such obstacles, the alternative defense budget working group is drawing up plans to encourage the wider public-interest community, including environmental and welfare advocacy groups, to use their publications to call for cuts in defense spending. As balanced budget pressures increase in the next couple years, without cuts to defense spending there will be no money left for social programs.

—Joel Bleifuss

## Contributors

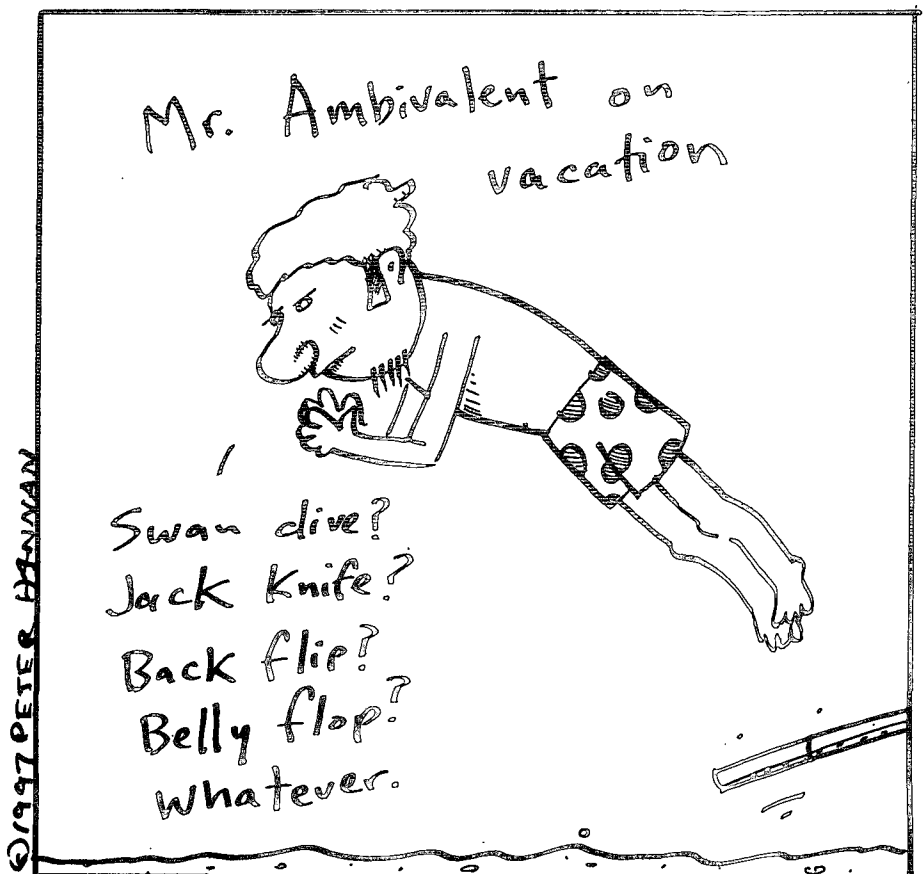
Ron Bigler is a freelance journalist based in New York City.

Dave Lindorff lives in Hong Kong and is a frequent contributor to *In These Times*.

Jim Wurst is the editor of *Disarmament Times* in New York City.

## THE ADVENTURES OF A HUGE MOUTH

By Peter Hannan



# THE FIRST STONE

## IN HOG HELL

By Joel Bleifuss

**P**ork industry giants are pulling a Wal-Mart, trying to annihilate the small-scale competition. In response, grass-roots coalitions of farmers and environmentalists in the Midwest's pork belt are demanding that elected officials regulate the massive pork factories that put family farmers out of business and despoil local ecosystems.

The U.S. pork market is a \$30-billion-a-year business. The 12 largest hog producers own 1.2 million sows, or 20 percent of all sows in the United States. Industrialized pork production is a highly efficient, vertically integrated operation, in which single companies raise, slaughter and process meat. The hog factories are huge. In North Carolina, Smithfield Foods, the nation's second-largest hog producer and second-largest pork packer, is building a high-tech packing plant that, when running full steam, will be able to process 32,000 hogs daily. At current levels, that would account for one-twelfth of all hogs shipped to packing plants.

The economies of scale achieved by hog factories lower costs and thus lower livestock prices. That hurts family farmers who depend on decent prices to make a profit. According to a University of Nebraska study, when 10 percent of pork production is bought under corporate contract, the pork packers pay 6 percent less for the hogs they buy from independent farmers. When 50 percent of pork production is bought under contract, the pork packers pay 26 percent less for hogs raised by family farmers.

Family farmers who raise and sell pigs independently are finding that they are unable to compete. In Missouri, in 1982, 3.5 million hogs were raised on 27,000 farms. By the end of 1995, the number of hogs raised stood at 3.6 million, but the number of farms raising hogs declined to 8,500. In 1995 alone, 19 percent of Missouri's hog farmers went out of business; one-fourth of them were family farms raising 100 to 500 hogs.

Gary Benjamin, a vice president of the Federal Reserve Bank of Chicago, is pessimistic about the future of family

hog farming. He had this to say in *Economic Perspectives*, the bank's publication: "The hog production and processing models and standards that have come about with the industrialization of recent years present a rather foreboding picture for the typical family farm concept of Midwest hog production. The standards set by the largest hog producers now suggest that some 50 producers could account for all the hogs needed in the United States. Moreover, the standards set by new, state-of-the-art packing plants suggest that fewer than 12 plants could process all of the country's hogs."

Vertically structured agribusiness has wreaked havoc on rural communities. The profits from hog factories are returned to corporate headquarters rather than plowed back into the community. A study

by Virginia Polytechnic Institute compared the economic benefits that accrue to a community where 5,000 hogs are produced by family farms to those of a community where 5,000 hogs are produced by a vertically integrated corporation. According to the study, independent farmers produced 10 percent more permanent jobs, 20 percent more local retail spending, and 37 percent more local per-capita income.

The bankruptcies of family farms create a pool of farm labor that the corporate hog industry can exploit. "These communities are loaded with people who have skills and knowledge, which are passed from generation to generation," Rhonda Perry, of the Missouri Rural Crisis Center in Columbia, Mo., told *Zoning News*. "When those people are reduced to hosing out buildings and setting times for feeders, their skills get lost. In the long term, it really takes away the sustainability of the community."

Nor can rural communities count on stable employment from corporate pork producers, who are finding fewer and fewer obstacles to moving their operations abroad. "There is absolutely no reason why hogs have to be raised in the United States," said Al Tank, the director of the National Pork Producers Council, at the group's annual meeting in March. "There are clearly people who are investing in Mexico today. There are clearly people who are investing in Brazil and Argentina today. There are people who are definitely investing in China today. These are U.S. entities. They realize what the opportunities are, and if they can't produce the product in the United States, they're going to be forced to take a look at some other places."

Hog factories also foul the environment. Margot McMillen, an old friend of mine, raises cattle and hogs with her husband Howard Marshall on their Missouri farm, 10 miles from my hometown of Fulton. In January 1995, the neighbor across the road contracted with the Minnesota-based agri-giant Cargill to raise 5,600 hogs. Now, if they leave their bedroom window open and the wind changes



direction, Margot and her husband wake in the wee hours of the morning choking on a cloud of ammonia. The smell emanates from the lagoon, three-quarters of a mile from their home, that contains the urine and feces of Cargill's 5,600 hogs, the equivalent of untreated urine and feces from a town of 14,000 inhabitants. These lagoons sometimes overflow. In Missouri last year, more fish died in two months from runoff from corporate farms than have been killed by animal waste over the previous 10 years combined.

In response to this corporate onslaught, family farmers across the Midwest are organizing. The Missouri Rural Crisis Center, established in 1985, is leading the fight against the vertical integration of the hog industry in that state. At times, things have got nasty. In northern Missouri's Lincoln Township, population 146, Premium Standard Farms, the fifth largest pork producer in the nation, bought land and began to set up a hog factory. When the township tried to keep the pigs out of its neighborhood by enacting planning and zoning regulations, the company sued the community for \$7.9 million, charging that the township's laws were "takings" of the company's property without providing just compensation.

Last year, the National Pork Producers Council hired the public relations firm Mongoven, Biscoe and Duchin (MBD) to spy on anti-corporate farm groups in Iowa, Minnesota, Illinois and Missouri. (MBD was the company Nestlé turned to in the '80s when its infant formula was under attack.) The council, an industry association that purports to represent the country's 80,000 pork producers, is primarily a mouthpiece for the 40 largest corporate producers who provide \$24 million of the group's \$45 million annual budget.

The MBD report, leaked to syndicated agriculture columnist Alan Guebert, derides the Missouri Rural Crisis Center. "The 2,300-member-strong MRCC is a radical/populist organization," the report says. "Its roots are firmly in the economic farm crisis of the mid-1980s. Its activities are all aimed at preserving and improving the economic livelihood of small- and medium-sized independent farmers. ... The MRCC agenda is very reactive to the concerns of rural Missouri citizens. It is this that has established MRCC's reputation of being an organization 'looking out' for the people of Missouri. ... Given the radical nature of MRCC, there is no potential for any kind of beneficial relationship between the National Pork Producers Council and MRCC."

Family hog farmers look at one-time chicken farmers and see a future that, should things continue on course, could soon be theirs.

The vast majority of chicken and turkey eaten in the United States is grown, butchered, processed and sold by vertically integrated corporations. These corporations contract out the chickens to formerly independent farmers, who must first invest considerable sums in building industrial hen houses. As part of the agreement, these contract farmers must raise the broilers by a strict formula that specifies the feeds used, the steroid drugs used, and so forth. Should the poultry corporation and its contract worker have a dispute over payment or growing methods, the corporation can decline to renew the contract. This leaves the contract farmer with a huge investment in plant and equipment that provides no return.

Last spring, Larry McKnight, president of the Mississippi Contract Poultry Growers Association, led an effort to get the state legislature to pass the Mississippi Poultry Producers Protection Act. The bill would have allowed growers to organize without fear of reprisal and would have stopped poultry corporations from coercing growers to sign contracts by threatening to terminate existing contracts.

Writing in the *Western Organizing Review*, McKnight issued an impassioned call on farmers to organize. "Vertical integration is touted as the future of American agriculture," he writes. "All commodity processors, and even corporations outside the food industry, have looked on with envy as poultry companies have gradually tightened the noose around the producers to ensure a steady supply of product at a known price. Without the expense and liability of owning a farm, they control every aspect of its operation by owning the producer. Once in debt, the producer is forced to sign any contract placed before him, or face financial ruin. Any attempt to complain is met with steely silence; persistence is hammered with a forced exit from the business and the accompanying loss of land, farm and home."

The Poultry Producers Protection Act passed the Mississippi legislature, but Gov. Kirk Fordice vetoed it, arguing that "new government regulation of this important industry is not the right thing to do." Two weeks prior to that veto, the poultry corporation for which McKnight grew chickens for 17 years terminated his contract.



# Does globalization matter?

“Globalization” has become the catch phrase of the '90s. Our political leaders proclaim the great windfalls to be gained from deeper U.S. integration into the world economy. For many on the left, globalization has become shorthand for the dominance of giant multinationals in a world where capitalism is the only game in town. But does talk of globalization illuminate or obscure the most important issues for working Americans?

Doug Henwood and Hector Figueroa debate.

## Doug Henwood:

Let's start with something uncontroversial. Economic life is a lot harsher than it was 25 years ago. More people are working longer hours for stagnant or falling hourly pay. This is true not only in the United States, but a good bit of the outside world as well. These facts are well-grounded in both statistics and personal experience.

Why is this? Here's where things get more controversial. High up on most lists of suspects are that inseparable pair, technology and globalization. Here, though, the assertions aren't as well-grounded as we might think.

A few words about technology first. We're constantly told, whether by cheerleaders like George Gilder or worrywarts like Jeremy Rifkin and Stanley Aronowitz, that we live in a time of unprecedented technological change. But is that really true? Is the pace of change more rapid now than it was in the late 19th and early 20th centuries, when, in the space of a few decades, the telegraph, railroads, telephones, cars and radios changed the world? Wouldn't an American whose adulthood ran from the years 1897 to 1947 have witnessed a lot more technosocial change than one whose adulthood ran from 1947 to 1997?

In fact, rapid technological change has been a constant feature of capitalism for at least 200 years. Whole industries and trades have arisen almost *ex nihilo*, only to disappear a few decades later. This doesn't mean wholesale technological change should be embraced or accepted as inevitable, of course, but in a society afflicted with a bad case of amnesia, it's important to point these things out.

Much the same can be said about that other villain, globalization. Some of the more naive critics of globalization seem to posit a world of local self-reliance that allegedly existed before, say, 1980 (the election of Reagan) or 1945 (the creation of the World Bank and the International Monetary Fund). But when did this world ever exist? Slaves picked cotton for export to Britain, and U.S. industrialization was financed in large part by funds borrowed on London's financial markets. The United States was founded by Europeans, who crossed an ocean and stole land from people who'd walked here from Asia some 20,000 or 40,000 years earlier. Like it or not, human beings have rarely stayed put.

On a less epochal time scale, the degree of economic internationalization today is in many ways less than it was a century ago. At the peak of its financial power in the late '80s, Japan's foreign assets were smaller (when measured against GDP) than were Britain's at the peak of its Victorian imperial power. A century ago, capital and goods crossed borders with a freedom today's free traders still envy. Most national governments were weak, and the gold standard—administered ultimately by the Bank of England—held countries to often punishing standards of financial orthodoxy. If you measure internationalization by looking at a country's exports as a share of its GDP, then Britain was only a bit more globalized in 1992 than it was in 1913, and the United States today is no match for either. By that measure, Mexico was more internationalized in 1913 than it was in 1992.

The trend toward internationalization of the late 19th century was reversed by the Depression and World War II.



© 1997 KIT BOYCE



But those were the years of capitalism's greatest crisis, a period when it looked like the system was in danger of succumbing to its own intrinsic ailments or to some sort of socialist revolution or fascist decay. Is this period the object of our nostalgia?

But, an antiglobalizer might respond, what's different now is the organization of a global assembly line under the supervision of giant multinational corporations. What happened a hundred years ago was trade among nations; what is called trade nowadays is actually the movement of goods around the world by several hundred stateless multinationals. You often hear it said that a third of world trade consists of intrafirm trade—from one national branch of an giant corporation to another, like the transfer of components from Ford Canada to Ford Mexico, and the movement of finished cars from Ford Mexico to Ford USA.

I know the argument well, in part because I used to make it. But it turns out to be nowhere near as true as is claimed. The image of a global assembly line is extrapolated from U.S. Commerce Department data on multinational corporations, which is the most detailed available for any country. But according to a 1995 Commerce Department report, intrafirm trade is "largely accounted for" by transfers of finished or near-finished products from U.S. makers to their foreign sales affiliates, or foreign makers to their U.S. sales operations. Intrafirm trade of components—the kind on which images of the global assembly line depend—accounted for a bit more than 10 percent of U.S. trade, and saw no significant rise between 1982 and 1993. A 1997 Commerce Department report confirmed the same trend.

It's especially surprising to look at intrafirm trade broken down by country. The clichéd perception is that the globalizing revolution in production is largely a matter of U.S. firms setting up shop in low-wage countries, especially Mexico. Now, obviously, this has been happening, especially in the auto and electronics industries. But, again, on closer inspection, the story looks less dramatic than people have come to believe. In 1992, U.S. multinationals imported \$10

billion worth of goods from their Mexican subsidiaries—about what they imported from their European affiliates, and less than a third what they imported from their Canadian branches. Overall, intrafirm trade is concentrated among our richer trading partners, not our poorer ones. This is a reflection of the fact that three-quarters of foreign investment and production by U.S. multinationals is located in high-income countries, mainly Western Europe and Canada. In other words, most of the "globalizing" action is occurring in countries where wage and benefit levels are equal to or higher than those in the United States.

This macro picture may, however, be of little relevance to actual workers. Employers are quite adept at threatening to move to Mexico to extract concessions, even if they have no intention or capability of actually doing so. So what, then, is the point of my attempt to diminish globalization's importance?

My hope is that people will stop talking about globalization—and its sidekick, technology—in such analytical isolation. Focusing on them, and exaggerating their scope and novelty, leads to a sense of resignation and passivity, in part because it tends to erase human agency from the picture and transform foreign investment and technical change into forces of nature. People come to believe that you can no more resist globalization than you can resist the sunrise.

One reason so much attention is paid to these factors is that we're not allowed to speak critically of capitalism as a system anymore. Postmodernists chide beliefs in systems as either quaint or totalitarian, and most lefties these days despair of any more than marginal reforms around the edges of the almighty market. So we speak instead about aspects of the system in isolation from each other. But, incorrigible dinosaur that I am, I insist that the driving force behind social and economic policy today is the lust for profit. For a while, there were countervailing forces—notably unions and leftist political parties—but for various reasons these have either been crushed or neutralized.

Many of the forces that have been driving U.S. wage lev-

els downward have nothing to do with “globalization.” Take two notorious examples: airline and trucking deregulation. There was literally no foreign presence in either of these industries when deregulation was imposed in the late ’70s, but it’s hard to think of sectors where so many formerly high-wage jobs have been so massively transformed into low-wage ones. (It must be emphasized that Democrats were enthusiastic partisans of deregulation—and not just conservative Democrats, but also liberals like Teddy Kennedy.) These examples point to a larger issue: Most people work in service industries, and the service sector is largely insulated from foreign competition. Is it competition from Malaysia that keeps wages low at McDonald’s?

The wave of downsizings over the last five years and the war on welfare are yet other examples. Downsizings, though often blamed on the dynamic duo of globalization and technology, have in fact been mostly driven by demands from Wall Street for fatter profits and higher stock prices. And just what globalizing pressure made Clinton’s promise to end welfare as we know it a centerpiece of his 1992 campaign? The entry of millions of desperate former welfare recipients into the labor market is almost certain to depress wages for the bottom third of wage earners—for almost entirely home-grown reasons. In all these cases, “globalization” diverts attention from the responsible parties.

Finally, there’s a disturbing and largely unexamined xeno-

phobia behind the critique of globalization. What, in principle, is wrong with commerce across borders? I’d like to see it practiced on terms different from what prevail now, of course—exchanges among equals, not between bosses and the bossed—but doesn’t anyone have anything positive to say about cosmopolitanism anymore? Anti-NAFTA progressives made some very unpleasant alliances with right-wing nationalists. One positive side effect of the anti-NAFTA struggle, however, is lingering contacts across the North American continent—progress toward the elusive goal of internationalizing labor to match the internationalization of capital.

The reflexive “No!” to globalization is symptomatic, I’m afraid, of the fact that few people have any good idea of what to say yes to. We’ve said “No!” to NAFTA, to the abolition of welfare, to budget cuts and so on without any positive vision of what the alternative is. What should the economic world look like? The disappearance of socialism from the political agenda has left a terrible vacuum. So dire have things got that it’s left to George Soros—a man who made his billions through socially useless forms of speculation—to critique capitalism.

On this lack of positive vision, I’m about as guilty as anyone. But we’ve got to recognize that a nostalgia for a past that never was is a losing proposition, intellectually and politically.

**Doug Henwood** is the editor of *Left Business Observer*. He is the author of *Wall Street*, forthcoming from Verso.



### Hector Figueroa:

An ad in a clothing-industry magazine shows the picture of a worried business executive. Above the picture, written in bold, is what consumes him: “I can’t find good, loyal workers for a dollar an hour within a thousand miles of here.” Luckily for him, the solution to his dilemma is just below his picture: “Yes, you can ... in Yucatan. When the U.S. is too expensive and the Far East too far.”

Shortly after this ad was printed, the North American

Free Trade Agreement went into effect. The same day, in Mexico, a peasant guerrilla movement took to the streets of the capital of Yucatan’s neighboring state, Chiapas. Taking advantage of the enormous international attention generated by NAFTA, the Zapatista uprising symbolized the intimate connection that can be established between the local and the global today.

Public interest in global issues is driven by globalization’s suspected role in undermining living standards and weakening hard-won social rights and environmental protection.



Obviously, globalization is not entirely to blame for the problems we face at home. It is simply another arena where the interests of the bosses and the internal contradictions of the market express themselves.

Doug Henwood argues that globalization obscures rather than illuminates the real problems working Americans face. But we need to consider the issue in political as well as economic terms. In doing so, we should not ignore the many ways in which addressing issues of trade and foreign investment can help further a progressive agenda at home.

First off, we need to define globalization. It is useful to distinguish between internationalization and globalization. Internationalization refers to the fact that textiles, steel or banking services can all be produced in multiple countries. Globalization occurs when, say, IBM integrates the financing, design, production and marketing of its Thinkpad computers across several countries. Internationalization refers to global trade, globalization to global production. But globalization isn't limited to the production of goods at the firm's own facilities in other countries or to outsourcing. An insurance company like Axa of France also dances to the globalization tune when it spins off a division of its North American subsidiary, Equitable, and uses part of the proceeds to finance the acquisition of an Australian firm. The integration of economic activities around the world under a common owner is what makes globalization distinct.

Both internationalization and globalization of economic activity have existed since capitalism became the dominant way of organizing economic activity over two centuries ago. Multinationals existed a century ago—witness the way French sugar plantations conducted business in the 19th century. And so did the computer, in the form of Babbage's early calculating machines. But until recently, neither played a dominant role in organizing production.

Multinational companies are also more diverse today, both in terms of the economic sectors where they can be found and their countries of origin. Before World War I, multinationals were largely limited to small countries with large capital surpluses, such as the Netherlands and Belgium, or to the extraction of raw materials. Few big companies coordinated production across borders in the same way that multinational companies do today. And virtually all were headquartered in Northern capitalist countries.

The flow of trade from South to North, particularly during the age of imperialism, was dominated by raw materials and natural resources and occurred in the context of limited market relations inside the colonial world. Today, manufactured goods account for a much greater share of South to North exports, and market relations have become dominant throughout the developing world.

Henwood argues that international transactions account for a smaller share of economic activity than in the past. The trade and investment statistics he cites, however, do not provide a clear picture of globalization. To do justice to the globalization argument, we need to examine the organizational structure of multinational companies, the ownership and contractual relations among foreign and domestic entities, their labor-relations practices, and their ability to regulate or set norms in their industries.

The Commerce Department data don't register transactions associated with the outsourcing practices by U.S. companies either—which is clearly an important element of global production. A closer look at the data also shows that exports and imports among U.S. parent companies and their subsidiaries have in fact increased since 1982. This increase in intrafirm transactions hasn't shown up as a greater proportion of total U.S. trade because exports and imports by companies without foreign subsidiaries have increased even more rapidly. But this is hardly proof that globalization isn't increasing in importance.

## Clean air. Clean water. Clean investments.

Founded by environmental advocacy organizations, the Green Century Equity Fund is a no-load stock index fund with a history of growth and solid returns. Just as important, the Equity Fund invests only in environmentally and socially responsible companies. Your investment will not support pollution or the tobacco industry and will actively promote a cleaner, healthier environment.

If you are serious about your investments and serious about the environment, call us at 1-800-93-GREEN.

AVERAGE ANNUAL TOTAL RETURNS* AS OF DECEMBER 31, 1996	
1 year	21.26%
3 years	17.44%
5 years	15.03%
Since inception	13.80%



FundsNetwork is a service of Fidelity Brokerage Services, Inc. (FBSI). Member NYSE, SIPC. FBSI may receive remuneration for providing certain recordkeeping and shareholder services to the fund family. FBSI does not recommend or endorse any particular mutual fund.

The performance data quoted represents past performance and is not a guarantee of future results. Investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. The Green Century Equity Fund, which commenced investment operations in September, 1995, invests all of its assets in an existing separate registered investment company which has the same investment objective as the Fund (the "Portfolio"). Consistent with regulatory guidance, performance for the period prior to the Fund's inception reflects the performance of the Portfolio adjusted to reflect the deduction of the charges and expenses of the Fund. Total returns for the periods ending 12/31/96 are historical. The since inception figure is from June 3, 1991. For more complete information, including fees and expenses, please call for a free prospectus. Read it carefully before you invest or send money. Distributor: Signature Broker-Dealer Services, Inc. 1/97

**GREEN  
CENTURY  
FUNDS**  
An investment for your future.®

We also need to be mindful of the fact that industries sensitive to trade tend to concentrate in the East and West coasts and the Midwest. This makes the labor and political impact of globalization far greater than what national trade figures suggest.

**G**lobalization matters not only because international trade and investment and multinationals have become more important to the global economy since World War II, but also because these changes have coincided with a period of slow economic growth and declining living standards. While globalization is not necessarily the cause of either, the temptation to extract profits by cheapening the cost of labor and penetrating new markets is greater in a period of slow growth. Wages are driven down further by the higher level of unemployment that results from the replacement of workers by technology or imports.

These effects are tempered or exacerbated by companies' choices of where to locate production or how to provide services. Industries that must keep up with foreign competition and technological changes, such as auto or textiles, have undergone dramatic restructuring. But even industries like cleaning and security have been exposed to fierce competition and global undercurrents. In Chicago, as in many other U.S. cities, it is not unusual to find an office building owned by a multinational company and cleaned by a Danish company that employs Polish and Mexican janitors.

Globalization matters because it captures the essence of what capitalism is all about: the universalization of wage labor and the lust for profit. The search for cheap labor in global industries is part of a dynamic process of cheapening labor costs across the board to increase profits. Globalization is important because it calls attention to the ways in which income inequality grows within as well as between nations as capitalism becomes a truly universal system. While most discussions of globalization tend to obscure its connection to the logic of the market, our response should not be to downplay globalization's importance but rather to place it in its proper context.

Globalization also matters because corporations and their political allies obviously think it's important. Free trade across the Americas is high on the agenda of both the Clinton administration and Congress. This year, over the organized opposition of U.S. and Mexican trucking unions, they are likely to try lifting a temporary delay of NAFTA's transportation provisions. Indeed, the Clinton administration wants to pursue free trade so badly that it is actively trying to erase NAFTA from labor's memory—witness, for instance, what appears to be a deliberate effort by the Clinton administration to keep a lid on a recent study contracted by the U.S. NAFTA National Administrative Office about how the threat of plant closings is systematically used to deter labor organizing.

Finally, globalization matters because it can become a catalyst for organizing rather than an excuse for passivity. As the Zapatistas showed, it can provide an effective way to

bring attention to domestic struggles. For example, demanding that retailers not sell products made by child labor in El Salvador goes hand in hand with stopping outsourcing from sweatshops in New York. Similarly, just as neoliberal politicians privatize pension systems in Europe, U.S. unions can cooperate with unions in Europe to protect workers' pensions and to ensure that pension funds are invested in ways that don't undermine workers' rights.

**N**AFTA is perhaps the prime example of how the politics of globalization can help advance a domestic agenda. The political struggle surrounding the passage of NAFTA raised awareness about issues such as economic integration and worker rights, environmental protection, cross-border solidarity, and the loss of jobs and declining wages that increased trade and investment between countries at very different levels of development can bring about.

Like most political struggles in our age, the NAFTA fight actively involved a comparatively small fraction of working people. But, for at least a short time, they were able to express publicly the tremendous frustration and anger that most workers in this country feel about the steady decline in their living standards and the role that the government and corporations have played in that process. True, the anti-NAFTA fight also brought to the surface an enormous amount of fear and even xenophobia toward Mexicans. But over the course of the fight, labor's position against NAFTA evolved from "No NAFTA" to "Not *this* NAFTA."

NAFTA critics in Mexico such as the Mexican Free Trade Action Network linked participation in the NAFTA negotiations to general demands for democracy at home. NAFTA also spurred cross-border organizing and solidarity between Mexican unions and U.S. unions like the UE, the Teamsters, UNITE (ACTWU) and the CWA, as well as among trade unionists, environmentalists and immigrant-rights advocates from all three countries. Within the U.S. labor movement, the NAFTA fight illuminated the need for change in vision and leadership, and for greater outreach to grass-roots organizations. It also gave many rank-and-file members and local leaders an opportunity to involve themselves in an issue previously considered the realm of policy-making staff or professional lobbyists. As one trade unionist confessed in a union meeting, "If we didn't have NAFTA, we would have had to invent it."

Debates over whether the top priority for progressives in this country should be international or domestic issues miss the point. Effective international organizing can help rebuild the left at home. Any positive left alternative must address globalization's impact on communities and take advantage of the opportunities for leverage it creates. Corporations and most politicians are quick to turn to globalization to foster their interests. We should not give them that terrain without a struggle. ◀

**Hector Figueroa** is assistant research director at the Service Employees International Union in Washington, D.C. His views on globalization are strictly his own.

# L A B O R

## Work Ethics

# S

weatshop labor has been on the rise at home and abroad for at least two decades. But only in the past year and a half have images of that seamy side of global production pricked the conscience of ordinary Americans. The revelations include:

- Thai "slave laborers" sewing fashions for major department stores in the Los Angeles suburb of El Monte;

- Haitian workers earning six cents for every "101 Dalmatians" outfit that Disney sells for \$20;

- Children in maquiladoras in Honduras and women in sweatshops in New York City sewing clothes for Wal-Mart's Kathie Lee Gifford label;

- Guess, the highly profitable designer-jeans company, failing to live up to an agreement to stop sweatshop conditions among its contractors in Los Angeles, then firing union supporters and shifting production to Mexico to thwart union

organizing.

Stories like these have sparked a burgeoning grass-roots movement against sweatshops among students, religious leaders, unions and public officials. According to public-opinion surveys conducted by Marymount University, 75 percent of consumers say they would boycott stores selling goods from sweatshops, and 85 percent say they would be willing to pay 5 percent more for legally made products. The retail giants, whose main asset is often their public image, are now threatened by the sweatshop monster they helped to create.

Sweatshops increase output and profits not through innovation and higher productivity but by squeezing workers. They may refuse to pay overtime, use child laborers, set piece rates to make a minimum wage impossible, or commit such crude abuses as hitting workers, refusing bathroom breaks or fining workers for being absent.

"Sweatshop" is an imprecise term. The General Accounting Office considers a sweatshop any workplace with more than one violation of laws covering work hours, minimum wage, child labor, industrial homework or other employer practices. Pharis Harvey, executive director of the International Labor Rights Fund, uses a broader definition. He defines a sweatshop as any workplace where the wages are inadequate, the hours are too long, and working conditions endanger safety or health, even if no laws are violated.

The sweatshop is one link in a production chain that may span the globe. Sweatshops are commonly found in industries such as clothing, shoes, toys, sporting goods and some electronics where production relies on modest technology and unskilled labor. Big brand-name marketers like Nike and Mattel and retailers like Wal-Mart and The Gap focus their own operations on design and marketing while subcontracting or licensing production to small manufacturers either in the United States or abroad. These manufacturers may, in turn, subcontract to even smaller shops, homeworkers and other independent contractors. The idea is to shift risk and drive down production costs, while relying on brand names, fashion and marketing to make the final product distinctive enough to command higher prices and profits.

Sweatshops are driven by an abundant supply of labor in the global market and by the mobility of capital. Liberalized trade and investment rules and modern technology make it possible to shift production from country to country. If workers organize, or if governments try to improve working conditions, these companies can pack up and leave. This ever-present threat gives employers tremendous power over workers. Workers within the United States as well as in poorer countries are pitted against each other, contributing to a downward spiral of wages and working conditions.

Not all sweatshop workers are in global industries. Meat

***Big retailers  
need to take  
responsibility  
for the  
sweatshop  
monster they  
helped to create.***

**By David Moberg**



packers, poultry processors, asbestos removers and farm workers in the United States also often work in wretched conditions. These sweatshops are the tawdriest manifestation of broader trends in the United States toward longer work hours, weak enforcement of labor laws, a shrunken labor movement and growing reliance on a contingent, casual work force—from illegal industrial homeworkers to Microsoft engineers.

Sweatshop workers tend to be the most vulnerable members of society: immigrants, children, women and minorities. In the Third World, the maquiladora work force is largely made up of women trying to supplement meager family incomes and rural migrants forced off the land by neoliberal policies. Not surprisingly, sweatshops are abundant in repressive countries, from China to Indonesia and El Salvador, that deny democratic rights to workers on and off the job. Sweatshop workers in the United States are often immigrants too desperate and vulnerable to defend their rights.

The big retailers ultimately call the shots, but since they don't own the factories that make their products, they can keep their hands clean. Still, because they are so dependent on corporate image and brand names and because they market their products directly to the public, these companies are sensitive to bad publicity that would sully their image. Sweatshop campaigns have tried to take advantage of that vulnerability to force retailers to take responsibility for working conditions in factories that produce the goods they sell.

In the United States, popular outrage over sweatshops prompted former Labor Secretary Robert Reich to convene a special White House Apparel Industry Partnership of busi-

ness, labor, human rights and consumer representatives last summer. The panel's task was to set labor standards throughout the industry's worldwide operations and to come up with a way to let consumers know that a product was not made under abusive conditions. The group, which was supposed to report in February, has had difficulty agreeing on wage and hour standards. They have also deadlocked on how to enforce the standards. Some business representatives balk at independent monitoring while other members of the panel consider it crucial. In the meantime, the Department of Labor has stepped up enforcement of wage and hours laws, but it is hampered by a lack of inspectors.

Meanwhile, Sen. Edward Kennedy of Massachusetts and Rep. William Clay of Missouri have reintroduced the Stop Sweatshops Act, which they first proposed last year. The bill, which would shift legal responsibility for complying with labor standards from the subcontractors to the big retailers, has little chance of passage in the Republican-controlled 105th Congress. Some municipalities are not waiting for the federal government to act. Tiny North Olmstead, Ohio, for example, recently banned the sale of products made in sweatshops.

The federal government could use its considerable clout to protect worker rights in countries with which it has commercial relations. Washington has the prerogative to revoke the special trade privileges of countries that do not respect worker rights, but it rarely uses those powers. The threat of invoking trade sanctions, however, has helped raise the minimum wage in Indonesia and improve labor laws in El Salvador.

With government regulation of corporate behavior so

## In the name of fashion

**G**arment making is the quintessential example of the new global sweatshop. A few big retailers and marketers dominate the industry. By 1992, the 20 largest firms in the United States sold more than 40 percent of all apparel. Meanwhile, small contractors—roughly 20,000 in the United States and untold thousands elsewhere—make the clothes.

The big companies design the clothes and in some cases may cut fabrics or maintain warehouses for the final products. But the actual sewing of the garment is parceled out to independent contractors. In a process called "progressive bundling," the manufacture of the clothes is broken down into separate operations, which are then assigned to different sewers or even shops. This encourages even more subcontracting, or homework, which often opens the door to child labor.

Garment work has plummeted in the United States—by a third in the '80s alone. The jobs have moved to China, Indonesia and the Caribbean, especially to export processing zones (EPZs) where employers are typically given special tax breaks and are often exempt from labor laws. The number of workers employed in EPZs grew from about 50,000 worldwide in the '70s to 1.3 million by the mid-'80s.

Proponents of the EPZs say these jobs are better than none and that these industries help poor countries develop and promote wage growth. A recent International Labor Organization study, however, disputes that claim. The study concludes that this sort of subcontracting does little for sustainable, long-term economic development in poor countries. Competition among countries for contracts and to meet the big marketers' demands for flexibility exerts "a downward effect on wages and working conditions." It also creates, the study concluded, "new types of more precarious employment," including a rise in homework and child labor. With world markets stagnant as consumer demand slows in the rich countries, a global glut of productive capacity increases pressure on the entire system.

The garment industry doesn't have to rely on sweatshops to survive. Garment manufacturers can thrive in countries like the United States if they produce fashion-sensitive or finely crafted apparel or if they can deliver quickly for retailers who want to keep low inventories. Some companies—more in Europe than the United States—have prospered thanks to improved technology or team-based production, which eliminates the traditional fragmentation of progressive bundling in favor of groups of workers cooperating together to perform more complex operations.

—D.M.

©1997 PHOTO/SUSIE BERGER



A small boy weaves a carpet in Nepal.

The Rugmark label, right, adorns  
carpets made without child labor.



lax, labor-rights groups are trying to pin responsibility directly on the brand-name marketers. They have sponsored U.S. tours of foreign sweatshop workers, graphically described the work conditions behind expensive fashions or cuddly toys, contrasted the lives and wages of workers with the extreme wealth of corporate executives, and exposed the gap between corporate codes of conduct and actual corporate behavior.

The National Labor Committee, a small muckraking group funded by unions, foundations and churches, has mastered these techniques. In coordination with labor activists in Central America and elsewhere, the committee has done hard research that ties the labor abuses of specific contractors to Disney, The Gap, Kathie Lee Gifford and other high-profile brands.

The committee's breakthrough campaign came in 1995, when it exposed child labor and other workplace violations at Mandarin International, The Gap's contractor in El Salvador. The Gap was a juicy target because the company relies on its image as hip and responsible to market its

clothes to young people. Stunned by the barrage of bad publicity and consumer protest, The Gap was the first company to agree to independent monitoring of its compliance with its corporate code of conduct. Though monitoring by four Salvadoran groups got off to a shaky start, Mandarin quickly improved working conditions and eventually rehired key union leaders and other workers it had fired.

Crusaders against the use of child labor in soccer-ball production are on the verge of a major victory as well. Operation Foul Ball, a project of the International Labor Rights Fund and the International Confederation of Free Trade Unions, got underway last spring. Unions in Europe showed footage of Pakistani children sewing soccer balls during the European Cup competition last summer. In the United States, the campaign tapped into the growing ranks of young soccer players and "soccer moms" to send protests to manufacturers.

The turning point came when the International Federation of Textile Workers persuaded FIFA, the international soccer federation, to sign an agreement last fall guaranteeing that all products with the FIFA logo did not use child labor. FIFA certifies most soccer equipment, and its logo on balls and other soccer gear is essential. The federation will also set up schools for former child workers and other children, provide transitional aid to families of child laborers (primarily about 12,000 youngsters in Pakistan), and guarantee workers the right to organize. Sporting-goods firms have tried to retake the initiative by proposing their own modest alternative of self-regulation. The FIFA deal, however, is still on track, pending a final agreement on monitoring.

Operation Foul Ball took some pointers from the successful Rugmark campaign launched by the Child Labor Coalition in the United States in 1995, two years after its European kick-off. The Rugmark consumer label on South Asian carpets assures buyers that the carpets were not made with child labor. Thirty percent of south Asian rugs sold in Germany now carry the label, as do roughly 40 percent of all Nepalese rugs.

The campaigns against global sweatshops, while still in their infancy, suggest that corporations in the new global economy can still be held accountable and subjected to some controls if there is political will and a popular movement. Corporate codes of conduct, consumer labels, independent monitoring, trade-linked worker-rights guarantees and consumer campaigns can limit exploitation and make unionizing easier.

Sweatshop workers ultimately rely on the power of consumers and citizen pressure to give them a fighting chance. As Alan Howard, assistant to the president of UNITE, says, "None of this campaigning against sweatshops goes anywhere without the movement out there of public awareness, concern and activity that brought these corporations to the table in the first place."

**K O R E A**

# Tiger by the tail

*Can South  
Korea's highly  
regulated  
economy  
survive  
globalization?*

By James M. West

**I**n late December 1996, large-scale strikes erupted in South Korea in protest against a sweeping revision of the country's labor laws. Just three weeks earlier, the country had been admitted into the fraternity of rich industrial democracies, the Organization for Economic Cooperation and Development (OECD). The government had claimed major reforms in Korea's labor laws were needed for Korean enterprises to compete successfully with rivals from other OECD countries.

The so-called "globalization reforms" announced on December 26 eased legal restrictions on mass layoffs. (Under prior Korean law, a firm could downsize only if it could demonstrate in court that the alternative to mass layoffs was bankruptcy.) Other "flexibility" amendments allowed employers to require variable shifts of up to 56 hours per week and to hire replacement workers during strikes.

The change in the laws was intended to smooth

Korea's incorporation into the world economy, but instead it touched off three weeks of work stoppages, costing manufacturers \$3 billion in lost production and more than \$500 million in exports.

To the government's surprise, the Korean populace largely supported the striking unions, despite the blow to the national economy. Threats to imprison the leadership of the Korean Confederation of Trade Unions (KCTU)—the long-outlawed, left-of-center rival to the conservative, government-supported labor organization, the Federation of Korean Trade Unions (FKTU)—backfired, eliciting severe international criticism. By January 21, President Kim Young Sam judged it necessary to retreat from confrontation. "I feel sorry for worrying the public while revising the labor law last year," the president said in a televised address to the nation.

Arrest warrants against KCTU leaders were dismissed and strikers returned to their jobs, but union leaders vowed to resume the strikes if further deliberations in the National Assembly did not yield a labor-law revision to their liking.

On March 9, after six weeks of heated debate, the National Assembly reached a compromise and enacted modified revisions to the labor law. The lawmakers scaled back the controversial layoff provisions and postponed their implementation for two years. Starting in 1999, employers will be able to lay off workers on grounds of financial emergency or merger-related reorganizations, but they will still have to be able to convince a judge that economic circumstances warrant the actions. The KCTU obtains legal recognition immediately but will be allowed to organize workers at enterprises where the FKTU is already recognized only after 2001. The new law permits extended shifts, but restricts the use of replacement workers to break strikes.

Neither the Korea Employers Federation nor the unions are happy with the compromise. Both sides regard it as, at best, a temporary half-measure. The phase of acute crisis has passed, but with employers of major Korean conglomerates, or *chaebol*, seeking to impose a wage freeze, the KCTU and the FKTU both have indicated that their constituent unions will strike again in May over wage issues and to register their discontent with the labor reform.

The bitter conflict in Seoul has raised a larger question: Is the Korean model sustainable? Planners throughout the developing world, supported by economists critical of the neoliberal orthodoxy of the World Bank and the International Monetary Fund, have long looked to Korea for a viable development strategy that maximizes national autonomy and avoids uncontrolled integration into the global economy. A strong state, they argue, can selectively screen foreign investment and strategically foster export-oriented industries. Countries whose economies are actively managed



in this way fare better in international competition than those, such as Mexico, that place their faith in the magic of unfettered markets. The key to Korea's past economic success was that big business was reined in by a strong state, which harnessed it to serve national interests rather than merely to maximize corporate profits. Today, the argument goes, continued state guidance and support are essential if Korea is to manage a difficult transition from labor-intensive, medium-tech manufacturing to a higher-tech, service-oriented and information-intensive economy.

But neoliberals point to chronic industrial-relations conflicts and decelerating growth to cast doubt on the Korean development model. The Korean economy has slowed from the white-hot 15 percent plus growth rates of the '70s and '80s, though it continues to expand steadily at a rate of between 5 percent and 10 percent per year. The country's GDP grew by 9 percent in 1995 and by almost 7 percent in 1996.

Neoliberals argue that the highly interventionist policies Korea used to try to catch up with the industrialized countries have become less and less sustainable as Korea matures into a major trading nation more fully integrated into the global economy. The present Korean government, under pressure from the *chaebol* at home and from trading partners abroad, has somewhat reluctantly embraced deregulation and promised gradually to lift barriers to international flows of capital, commodities and services.

A nation of 45 million inhabiting a mountainous, resource-poor territory smaller than Arkansas, South Korea rose in a little over 30 years from dire poverty to become the 11th largest economy in the world. For most of that period, the country was ruled by a military dictatorship. Its phenomenal growth is partly explained by the perpetual war mobilization of a garrison state glowering across the DMZ at a belligerent North Korea. In addition, Korea's strategic position in the Cold War meant that, like Japan, it was granted favorable access to the U.S. market as it built an export-oriented, labor-intensive manufacturing base behind high protectionist walls. Still, despite the accomplishments of that strategy, Korea today is far from rich—the average Korean, putting in some of the longest working hours in the world, earns around \$10,000, no more than half the per-capita GDP in the advanced Western countries. "Growth and sacrifice first, freedom and prosperity later" was the development creed of the '70s and early '80s.

Labor discipline during Korea's heroic phase of "forced march" development was harsh. The government suppressed independent trade unions. The FKTU was formed in the '50s as a right-wing monopoly union structure sponsored and controlled by the state, but neither strikes nor real collective bargaining were tolerated in leading industries. In euphemistic terms, Korea was a "corporatist order"; more bluntly, the labor regime was fascist, complete with secret police who surgically excised militant unionists from the work force.

Throughout this period, Korea's chief comparative advantage in export markets was its low labor costs. Employers enjoyed ample profits, provided that they met export targets and capacity-expansion goals set out in the state's five-year plans.

In June 1987, millions of Koreans took part in street protests against the military dictatorship, launching a transition to democracy that has continued slowly and fitfully to this day. That autumn, strikes spontaneously rolled through the Korean

economy, spurring the formation of thousands of independent unions. For the first time, the police were not called out to put down the strikes, and most employers conceded large wage increases after many years in which wages had lagged behind productivity gains. In 1989, the National Assembly passed labor-law reforms to legalize independent unions and abolish some of the repressive laws used to imprison union leaders, but President Roh Tae Woo vetoed these measures. Until the globalization reforms of December 1996, the government did nothing to lift the fetters on union activity, despite international criticism.

Since 1989, the perpetual lament of Korean big business has been that unions with a credible strike threat are extortionists and that high labor costs are fatally undermining Korea's global competitiveness. The captains of Korean industry fondly remember the golden age of disempowered labor. They correctly point out that nominal wages increased over 15 percent per year from 1987 through 1993. The rate of growth in real purchasing power was lower, however, due to rapidly rising prices, especially in the housing market.

Unions are only one of the forces behind rising wages in Korea. The scarcity of workers—especially world-class engineers and technicians—will tend to drive wages up regard-



less of union strength. Korea's population has grown at a rate of only 1 percent per year for the past decade. With unemployment below 2.5 percent, Korea could soon face a shortage of labor. The government tolerates a modest but growing contingent of "guest workers," mostly South Asians and ethnic Koreans from China, who tend to work in the construction sector and other so-called "3-D" (dirty, difficult and dangerous) jobs.

A more fundamental dilemma arises from Korea's predicament as an intermediate or semiperipheral player in the global economic system. Korea would like to compete with richer countries like Japan in high-tech, capital-intensive sectors, yet it continues to rely on Japanese and Western multinationals for imported technology. The giant Korean conglomerates, reluctant to relinquish lower-tech, labor-intensive export markets, demand "flexibility" so that they can shift manufacturing operations from Korea to lower-wage countries. Since the mid-'80s, many thousands of low-wage jobs have been exported from Korea to places like Indonesia (footwear), Mexico (consumer electronics) and China (assembly of all kinds). The great fear of Korean planners is that the mighty export engines will sputter and stall before the nation actually "graduates" from the semiperiphery.

The fear of losing jobs to lower-wage competitors was a major reason why the recent conflict centered around employers' efforts to carry out large-scale dismissals without active state oversight. Korean business hoped to improve its position relative to competitors in other developing coun-

tries by gutting job-tenure protections (which Korea shares with several European countries) and moving much closer to the callous but supremely flexible Anglo-American system of "employment at will," under which not the state but the market has the final say on employment levels.

For their part, Korean unions know that an employer's option to relocate abroad has a grave impact on the dynamics of collective bargaining. Since Korea has historically spent little on social welfare programs, employment is closely linked to housing, health care, pensions and so on. So the kind of mass layoffs that Korean employers are pushing for would entail the catastrophic loss of a whole range of benefits upon which families have come to rely. On the other hand, globalizing competition and rising wages are real problems for big business. Many Korean enterprises are caught in a double bind: Constant foreign pressure to open domestic markets has steadily contracted the domain in which Korean manufacturers can rely on trade barriers, while an increasing range of businesses are not viable without them.

Most economists believe that Korea's growth rate must inevitably decline as its economy matures. But can Korea escape the "hollowing out" that labor dreads? First and most importantly, both the government and private sector need to invest more to upgrade technology and train a more sophisticated work force. Higher wages and stronger unions need not lead to catastrophe if Korea keeps on moving up the product cycle to sell more sophisticated goods and higher value-added services. If Korea's work force is well-paid but technically skilled, foreign multinationals will not be frightened off by democratic and equitable labor laws.

Second, what Alice Amsden calls "the specter of Anglo-Saxonization" poses serious perils. If the *chaebol* and neoliberal planners in the government have their way, the Korean state will emasculate itself through radical deregulation. The neoliberals are right that financial reform is long overdue and that greater capital mobility is a necessity now that Korea has joined the OECD. Nevertheless, struggling Korean industries still need a degree of protection. Nor would it be wise to lift all restrictions on outward investment by the *chaebol*. Since such investments benefit greatly from indirect Korean government support, the state should use its leverage to ensure that foreign investments do not undermine the job security of workers in Korea.

Finally, the political system must become more democratic if Korea is to respond effectively to the economic challenges it faces. Confronted with a rhetoric that short-circuits domestic politics by presenting deregulation as the only rational reaction to globalization, labor and allied critics of neoliberalism must articulate an alternative vision of Korea's future trajectory in the world economy. Only in that way can they seize the political initiative from big business and preserve what is distinctive and valuable in the Korean model. ◀ **James M. West** is a research fellow in the East Asian Legal Studies Program at Harvard Law School. He worked in Seoul as an international corporate lawyer for 10 years between 1982 and 1995.

BECAUSE WORKING TOGETHER  
WE CAN MAKE A DIFFERENCE

## Youth Summit '97 by youth, for youth April 11-13

Hampshire College; Amherst, Massachusetts  
for more information contact

Kate Barnhart  
9701 Barwell Terrace  
Brooklyn, NY 11209  
phone: 718-630-5242  
kfbF93@hamp.hampshire.edu

Ian Marvey  
Hampshire College  
Box 1576  
Amherst, MA 01002-5001  
iamF92@hamp.hampshire.edu



# IS SOMETHING HIDING IN YOUR MUTUAL FUNDS?

There's a good chance you're investing in tobacco without even knowing it. A survey by Yankelovich Partners, Inc., found that two-thirds of investors couldn't name a single company their mutual funds were invested in. While 10 of the 15 largest



**Calvert  
Group**

*A member of The Acacia Group*

mutual funds are invested in tobacco.\* Do you know where your money is going? Call your financial adviser or Calvert Group at 1-800-716-8056, and find out if your mutual funds are invested in tobacco, or consult our Know What You Own service at <http://www.calvertgroup.com>.

**KNOW WHAT YOU OWN**

call 1-800-716-8056, or visit <http://www.calvertgroup.com>

\*Analysis done by Investor Responsibility Research Center. Data gathered by Morningstar. While data was gathered from reliable sources, accuracy and completeness cannot be guaranteed. ©Calvert Distributors, Inc., a subsidiary of Calvert Group.



## POLITICS

## Reich's sorry reign

**R**obert Reich came to Washington in 1993 with an ambitious agenda: to retrain American workers for the best jobs in the global economy. Four years later, he resigned as labor secretary having implemented modest pieces of his plans and helped raise awareness of the widening gap between the rich and the rest of us.

*After four years, neither the Labor Department nor American workers are much better off.*

He garnered mixed reviews from progressives. "He did a brilliant job," says Karen Nussbaum, who headed the Labor Department's Women's Bureau under Reich, and is now director of the Working Women's Department of the AFL-CIO. "Bob Reich came in and became a voice for the central dilemma facing working families, which is the income gap."

Sociologist Stanley Aronowitz, co-author of *The Jobless Future*, disagrees. "He gave mediocrity a bad name—not as a thinker, but as a labor secretary. He was not an advo-

cate. He did not mobilize his constituency around a specific program of incremental reform or even around holding the line [against Republican attacks]."

Reich, a friend of Bill Clinton's from their days together at Oxford, laid the intellectual groundwork for his cabinet appointment in his 1991 book *The Work of Nations*, which he wrote while teaching at Harvard. In it, Reich is more optimistic about the globalization of the economy than more recent analysts such as Aronowitz, Jeremy Rifkin or William Greider.

Reich, who declined through a spokesperson to be interviewed for this article, argues that while mass manufacturing in a global economy is done wherever labor is cheapest—which means that well-paid manufacturing workers in the United States either lose their jobs or cease to be well-paid—the global economy has an almost unlimited need for highly skilled "symbolic analysts."

These are the architects, engineers, computer programmers, market researchers, advertising specialists and corporate executives who design products and services, arrange for their production wherever it can be done cheaply, and sell them wherever it can be done profitably. Their conceptual labor adds the most value to a product or service, says Reich, and therefore they are the ones the global economy most richly rewards.

Government's goal, he argues, should be to attract as many of these kinds of jobs as possible, by investing in modern infrastructure (from highways, airports and mass transit to fiber-optic cables) as well as in education and training to create highly skilled workers. This public investment will attract the fluid groups of corporate investors Reich dubs "global webs of enterprise," which will offer workers relatively good jobs. "These jobs, in turn, generate additional on-the-job training and experience, thus creating a powerful lure to other global webs," Reich writes. "As skills increase and experience accumulates, a nation's citizens add greater and greater value to the world economy—commanding ever higher compensation and improving their standard of living."

Although he maintains that, in principle, there is "no particular limit upon the number of Americans who can sell symbolic-analytic services worldwide," Reich recognizes that the number of Americans likely to be able to join those rarified ranks is relatively small.

Reich contends that "global webs" will inevitably move manufacturing jobs to wherever labor is cheapest. Fortunately, he argues, the remaining service jobs do not have to be dull and low-paying. With upgraded skills, "in-person servers"—janitors, secretaries, childcare providers, hospital aides, taxi drivers and the like—can add greater value and thus earn higher wages.

Parts of Reich's analysis are on target. It is true, accord-

By Chris Seymour

ing to Heidi Hartmann, an economist who heads the Institute for Women's Policy Research in Washington, that U.S. corporations do not adequately train their rank-and-file work force. "Corporations invest in managers, not in front-line workers," she says.

Yet Reich's assertion that higher skills and higher wages go hand in hand is problematic. A worker who learns high-tech skills doesn't necessarily get a better job—or any job—for two reasons. First, employers are seeking low-paid workers overseas to do even high-tech jobs. Reich himself, in *The Work of Nations*, notes that U.S. software companies hire well-educated programmers in India to work at a fraction of the pay of their American counterparts. Likewise, Boeing pays machinists in China \$50 a month to make airplane tail sections.

Second, computer technology is eliminating many service jobs while making others more routine. Reich writes glowingly of "the checkout clerk whose computer enables her to control inventory and decide when to reorder items from the factory. Instead of replacing her, the computer empowers her to assume more responsibility and thus add greater value to the enterprise."

I don't know what supermarket Reich shops in, but at the Pathmark down the street from me, the checkout clerks never see the inventory data the computer tracks—those numbers go to a manager who makes ordering decisions. Meanwhile, the store no longer needs as many stock clerks to count inventory.

But fortunately for the clerks at my local Pathmark, they're in a union. That means that they get paid, if not decently, at least better than they would if they were at the complete mercy of the invisible hand of the global marketplace. Reich, however, has little to say about unions in his book, except in the past tense. In fact, in *The Work of Nations*, he all but dismisses the possibility that people at the bottom can make demands on corporations or on governments, and dismisses as futile at best and counterproductive at worst attempts to impose curbs on capital's mobility. This explains why he later supported NAFTA and GATT and failed to explore expansion of the federal plant-closing notification bill or any other limits on employers' ability to move jobs.

In the end, Reich's policy proposals amount to little more than moral suasion. After sketching ambitious plans for "good education, training, health care and public infrastructure—available to all Americans," and noting that funding them would require the well-off to pay more taxes, Reich concludes by expressing the hope that the country's fortunate few "will decide that they have a responsibility to improve the well-being of their compatriots, regardless of

any personal gain."

Reich's appointment as labor secretary gave him the opportunity to try putting some of his theories into practice. Bill Clinton, however, did not do much to advance his friend's plans for massive expansion of federal training programs. Having run on a platform of "putting people first," Clinton decided to put the bond market first. The president appointed deficit hawks Leon Panetta and Lloyd Bentsen to key budgetary posts, and adopted a policy of restraining federal spending—a course Reich argues against in his book.

Under those constraints—which tightened after Republicans took control of Congress in 1995—Reich was able to achieve some limited goals. He streamlined the training bureaucracy and funneled money to "one-stop career centers"—outfits that combine under one roof all the services that job-seekers need, from skills assessment and training to resumé counseling, interview preparation and job placement. He also helped persuade Congress in 1994 to pass the "School-to-Work" plan, a joint Labor Department and Education Department program designed to place hundreds of thousands of high school students a year in apprenticeships that are supposed to lead to skilled jobs with a future after graduation. Some see the program, whose funding runs out in



Reich: good intentions, marginal impact.

2001, as a vital new link between high schools and the world of work, while others deride it as warmed-over votech education.

Reich also successfully fought to preserve summer jobs for young people, income and training support for dislocated workers, and other employment and training programs when the Republicans threatened to slash or eliminate them in the 1996 budget battle.

Reich supported Nussbaum's massive survey of working women, "Working Women Count," which identified low pay, stress and lack of adequate childcare as major concerns, and he supported the Glass Ceiling Commission, whose research demonstrated (surprise!) that there are major obstacles to the advancement of women and minorities in corporate America.

But the marginal impact of Reich's initiatives is evident in the hard numbers. Overall spending on education, training and employment programs actually declined under Reich. While the Labor Department won a 7 percent hike in spending on employment and training in Bill Clinton's first budget, those programs were cut by 13.3 percent the next year. Now, after two years of Republican control of Congress, they are up a total of only 2.5 percent from Bush's last budget in 1993, before taking inflation into account. After inflation, this

year's spending for all education and training programs (including federal education aid through the Education Department) is down 8.3 percent from Bush's last budget.

**T**hwarted in the attempt to significantly expand federal job-training programs, Reich made speech after speech to business groups, urging corporate chiefs to invest in training their workers. When they didn't, he floated the idea of tax breaks for companies that invest in upgrading their workers' skills, provide decent health and pension benefits, and retrain them for new jobs if they lay them off. Clinton, however, never embraced the concept.

If he had little success in nudging corporate America onto the high road, Reich did help place some obstacles on the low road. He led the Clinton administration charge on raising the minimum wage. And he backed up his wage and hour administrator, Maria Echaveste, when she aggressively used the "hot goods" provision of the Fair Labor Standards Act to impound garments made in sweatshops that broke minimum wage and overtime rules.

The enforcement effort, however, was overwhelmed by a seemingly endless litany of sweatshop horror stories. Reich's response was more suasion: He established a "Trendsetter List" in 1995 to spotlight those companies that agree to monitor for sweatshop conditions the contractors who make their garments.

"Look, I walk to work every day without mugging someone, and I don't expect to get a medal," snaps Labor Party organizer Tony Mazzocchi, deriding the award of government gold stars to firms that don't egregiously exploit people.

Jeff Hermanson, co-director of organizing for UNITE, is more concerned with the criteria for removing backsliders from the list, such as jeans maker Guess Inc. "It took Reich far too long to realize that Guess was continuing to use sweatshops in violation of its agreement with the Department of Labor," says Hermanson. The Labor Department put Guess on Trendsetter "probation" in November after the California Labor Department discovered Guess garments being sewn in people's homes as well as in sweatshops.

Reich used his considerable public-speaking skills and

media savvy to warn about increasing income inequality. "Broad trends that have accelerated since the mid-1970s are splitting America's middle class into three new groups," he told the National Alliance of Business in a September 1994 speech. "(These are) an underclass largely trapped in center cities, increasingly isolated from the core economy; an overclass of those who are positioned to profitably ride the waves of change; and in between, the largest group, an anxious class, most of whom hold jobs but who are justifiably uneasy about their own standing and fearful for their children's futures."

**U**nionization is one of the most effective ways to address the insecurity and eroding incomes of the "anxious class," but Reich's record of support for unions is mixed. Early in his term, he wondered aloud whether unions had a role in the workplace of the future. Colleagues provided him with "lots of empirical evidence that one way to address inequality was directly through unionization," reports Jared Bernstein, an economist at the Economic Policy Institute who worked for six months as Reich's deputy chief economist. Those numbers, as well as increased contact with union leaders, eventually convinced Reich that unions are "an important component of the policy solution," says Bernstein.

But Reich did not take the initiative to strengthen unions, complains Mazzocchi. Employers fire workers when they try to organize, and the law does little or nothing. "We need strong labor law," Mazzocchi says. "We need the right to conduct economic struggle. The labor secretary should be an advocate for that."

Bernstein defends Reich, arguing that he was "working within what was possible." Without the constraints of a waffling president and a hostile Congress, Reich might have addressed more directly the issues of rising inequality and increasing economic insecurity that he raised so eloquently. Instead of focusing primarily on training, Bernstein says, Reich might have pushed harder to curb corporate power and to make unionizing easier.

The record suggests otherwise, however. Confronted with problems from downsizing to the proliferation of sweatshops and discrimination, Reich demonstrated the indifference to popular mobilization evident in *The Work of Nations*. He turned again and again to persuasion and incentives over popular pressure and the use of government to restrict corporate behavior.

In the end, though, the flaws in Reich's approach mattered little. The president's support of the welfare repeal—which will depress wages and further impoverish welfare recipients—showed that Reich was out of Clinton's policy loop. For all his good intentions, Reich ended up performing the invidious task of rallying labor and liberal support for an administration that had abandoned whatever conscience it may have come in with. ◀

**Chris Seymour** is a freelance symbolic analyst and folk singer who lives in Brooklyn, N.Y.

## Now in Paperback! **ROGUE STATES & NUCLEAR OUTLAWS**

America's Search for a New Foreign Policy  
By Michael Klare

"For years, Michael Klare has been doing some of the most enlightening work on military strategy programs and their foreign policy connections. His new study is another fine contribution, of great value to anyone who hopes to understand the U.S. role in world affairs in the years ahead."  
—Noam Chomsky

From your bookstore or  
Hill & Wang / Farrar, Straus & Giroux



**B L A C K A M E R I C A**

# Answering the call

**I**n late February, the Rev. Benjamin F. Chavis Jr. made an announcement close observers had long expected: He's leaving his Christian ministry behind to become a lieutenant of Nation of Islam leader Minister Louis Farrakhan. He is now known as Minister Benjamin Chavis Muhammad.

"The God of Judaism and the God of Christianity and the God of Islam is the same one God," Chavis Muhammad told an enthusiastic audience of about 12,000 gathered for the NOI's annual Saviors' Day convention on February 23. "Now, I am pleased to announce that God has called me into the Nation of Islam, and I have accepted. To my Christian brothers and sisters, I am not turning my back on Jesus Christ. I am standing with Jesus by standing with the Nation of Islam in joyful obedience to Allah, God Almighty."

In Chavis Muhammad,

the NOI has gained a convert of exemplary ability and accomplishment. He first came to national prominence as a member of the Wilmington 10, a group of African-Americans convicted of conspiracy and arson stemming from a 1971 firebombing of a white-owned grocery during a riot in Wilmington, N.C. Chavis and his co-defendants, mostly members of a student group visiting Wilmington to demonstrate for school desegregation, were so clearly innocent that their case became a cause célèbre for black and white activists alike. Amnesty International listed Chavis as a political prisoner in 1979; his conviction was reversed by a federal appeals court in 1980.

That same year, at the age of 49, Chavis was ordained a minister in the United Church of Christ, a multiracial denomination known for its liberal positions on issues of social justice. In taking holy orders, Chavis became the latest in a family line of Christian ministers that stretches back four

generations to John Chavis, a Princeton University graduate and the first African-American minister to be ordained by the Presbyterian Church. Ben Chavis was an innovative and progressive political advocate as executive director of the United Church of Christ Commission for Racial Justice, where he served from 1985 to 1993. Under his leadership, the commission conducted pioneering research into the disproportionate burden put on African-American and Latino neighborhoods by waste dumps, polluting industries and other environmental hazards—what has since come to be called environmental racism.

The youthful clergyman earned such a reputation that the NAACP, hoping he could revive the moribund civil rights group, named him executive director in April 1993. After 16 months on the job, however, Chavis was dismissed for using the NAACP's money, without notifying the board, to settle a sex discrimination and sexual harassment claim. By the time he was fired, his short tenure had already become controversial for other reasons. He had incurred the wrath of civil rights traditionalists by reaching out to Farrakhan and other black nationalists.

While many NAACP board members condemned his overtures to the NOI, Chavis justified them as an attempt to unite the diverse strands of the black liberation movement into a front of "operational unity." Such a front has long been a goal of black organizers. The Negro Convention movement and the National Negro Congress of the early 20th century labored fruitlessly to unite blacks devoted to the bootstrap capitalism of Booker T. Washington with those drawn to the political cosmopolitanism of Washington's rival W.E.B. DuBois. In the early '70s, the Congress of African Peoples in Atlanta and the National Black Political Conventions in Gary, Ind. and Little Rock, Ark. assembled black elected officials,

*Will the recent  
conversion  
of Benjamin  
Chavis bring the  
Nation of Islam  
closer to black  
Christians?*

By Salim Muwakkil



© 1997 KENNETH WRIGHT

black nationalists, Marxists and community organizers under the banner of “unity without uniformity.”

Before his ouster from the NAACP, Chavis formed the National African American Leadership Summit (NAALS) with the same goal in mind. Thanks largely to the NAACP’s institutional credibility, the summit’s first meeting, held in June 1994, attracted more than 200 representatives of black groups from across the country and the political spectrum, including socialists, cultural nationalists, civil rights leaders, heads of black professional organizations, fraternities and sororities, and—perhaps most controversially—Farrakhan.

“The first summit offered hope that Ben Chavis was serious about operational unity,” says Manning Marable, director of the Institute for Research in African-American Studies at Columbia University and a participant in the first NAALS conference. Some members of the NAACP board, however, were troubled by Chavis’ extra-organizational activity. This in itself was not unprecedented: Chavis’ predecessor as executive director of the NAACP, the Rev. Benjamin Hooks, helped found a short-lived group called the National Association of Black Organizations in 1990. But Hooks never invited Farrakhan.

After Chavis left the NAACP, he set up NAALS as a new organization with a separate identity and an ambitious agenda. He launched a national public-speaking campaign to drum up support for the summit and for the Million Man March. From NAALS’ inception, however, critics complained about Chavis’ excessive deference to Farrakhan. Chavis’ increasing gestures of support for the NOI, as Marable wrote at the time, “are not sufficiently balanced with a critique of the contradictions inherent in conservative black nationalism.”

But more at issue than ideological drift was the fact that Farrakhan had become Chavis’ main benefactor. Fired from a \$200,000-a-year job, Chavis turned to Farrakhan for financial assistance and a way back into the national lime-

**Minister Louis Farrakhan and new convert Benjamin Chavis Muhammad.**

light as executive director of the Million Man March committee. The success of the march made Chavis a hot commodity on the lecture circuit, and honoraria for speaking engagements became his primary source of income. Soon it became obvious that Chavis intended NAALS to serve as a kind of appendage to the Nation of Islam.

As a clergyman, Chavis played a key role in winning Christian support for Farrakhan’s march. Other initiatives on the NAALS agenda, however, have failed dismally. A convention held in St. Louis to rally African-Americans as a political “third force” ended in disarray, as participants wrangled over a scheduled speech by political eccentric Lyndon LaRouche. Plans for establishing a black development bank were apparently abandoned as soon as they were announced, as were plans to mount an aggressive campaign against negative portrayals of blacks in the media.

The summit foundered as participants lost faith in Chavis. “During the NAALS meeting after the march, I began to see that Chavis’ summit group was primarily a black-nationalist formation,” recalls Ronald Walters, political science professor at the University of Maryland. “That’s not what many of us thought a summit group should be. We wanted an authentic, collective black politics to emerge, and the only way that could happen was for the politics to be more inclusive. After a while, it was clear that Chavis wasn’t interested in inclusive politics.”

With his new arrangement with the NOI, Chavis Muhammad gets new status and a good job as a NOI minister. “Ben has been under some severe strains over the last few years,” says Harvard University professor Cornel West. “Maybe his action was provoked by the strain. On the other hand, why can’t we just assume it was a genuine conversion?”

Herb Boyd, a New York-based journalist and editor of the on-line magazine *The Black World Today*, offers this explanation: "Farrakhan offered him succor at a dark period of his life when others offered only scorn, and Ben seems to be paying him back. I really don't know if it's much deeper than that."

The NOI generously rewards effective proselytizing, or "fishing," and Chavis Muhammad's Christian pedigree promises to be an effective lure. He will ostensibly concentrate his efforts on establishing links with like-minded Christian churches ("Christian outreach" as he terms it), but his ultimate goal will be to convert Christians to Islam.

Chavis Muhammad may find most church doors closed to him, however. Officials in many black Christian groups regard his conversion as an implicit rebuke of Christianity. But few have been willing to go public with their criticism, and those who have publicly commented so far have been noncommittal. Chavis Muhammad's action leaves politically engaged Christian clergy, especially those who supported the Million Man March, in a dilemma: Many want to criticize him but fear instigating a religious feud if they do so.

"I think most of us prefer to offer no comment on the matter," says the Rev. Herbert Daughtry, pastor of the House of the Lord Pentecostal Church in Brooklyn, N.Y., and a longtime political advocate and friend of Chavis Muhammad. "Let Ben work through whatever it is he needs to work through, and all we can do is hope that whatever he decides is good for him and for our people."


According to informed sources, however, several black Christian denominations are planning to publicly rebuke Chavis Muhammad. "How can someone nurtured in a family with such a deep history of Christian faith suddenly start following a group that for so long has referred to our faith as the slavemaster's religion?" asks the Rev. Jeremiah Wright of the Trinity United Church of Christ in Chicago.

Chavis Muhammad maintains a conciliatory and optimistic line. "I would hope that those who rush to criticize what I've done would first think about what my motive is," he said in an interview following his announcement. "My motive is to be obedient to God's call. I'm very clear that the Honorable Minister Louis Farrakhan is the most effective black leader in the world today, and I want to help him. That's my motive. I want to help build the Nation."


Some African-American leaders and intellectuals are willing to give Chavis Muhammad the benefit of the doubt. West, for example, argues that Farrakhan is too influential to ignore and that he's receptive to progressive ideas. But the

most frequent response of black progressives to Chavis Muhammad's conversion seems to be "good riddance." At a recent gathering of black progressives at the University of Illinois at Chicago, many expressed relief that he had finally come out of the closet, so to speak. From their perspective, Chavis was confusing issues by linking Farrakhan's conservative NOI with other black groups fighting for progressive change. There is a hardening consensus among many in the black left that Farrakhan's conservative nationalism—with its racist scapegoating, homophobia, and veneration of patriarchy, capitalism and authoritarianism—has absorbed a great deal of energy that could have been better spent building a truly progressive black movement.

Chavis Muhammad's conversion may spell the end of NAALS, which some observers mourn for at least symbolic reasons. "The probable demobilization of NAALS is the latest blow to the concept of operational unity," says Ron Daniels, executive director of the Center for Constitutional Rights and former director of the Rainbow Coalition. "In some ways it's a shame; there was so much promise in the concept and in its original vision. But Ben's action lays bare any pretense that NAALS was based on that concept. The fact of the matter is that NAALS has always represented the Chavis-Farrakhan faction of the movement. This faction is not to be dismissed—it embodies a nationalist perspective that is very influential—but it is a narrow faction which is not really concerned with building an ideologically diverse and democratic united front."



# PLUTO PRESS



## GLOBALIZATION AND ITS DISCONTENTS

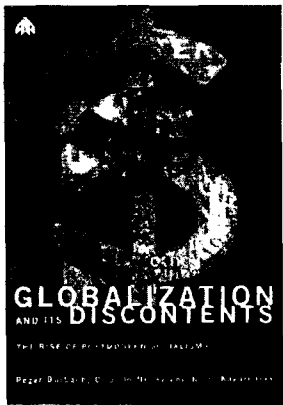
*The Rise of Postmodern Socialisms*

**Roger Burbach, Orlando Núñez  
and Boris Kagarlitsky**

*'An insightful portrayal of the  
world at the end of the century  
which provides ideas and  
information that can be used to  
construct an alternative world'*

**Eduardo Galeano**

Jan 97 • Paper • \$17.95 • 0 7453 1170 9  
Library cloth ed \$49.95 • 0 7453 1171 7



Available from your local bookstore. In case of difficulty or for a copy of the  
1997 Pluto Press Complete Catalogue please order from: LPC InBook, 1436  
West Randolph, Chicago, Illinois 60607. Individual orders tel: 800 523 0301  
Trade orders tel: 800 626 3440 • Fax (all orders) : 800 334 3892

Visit the NEW Pluto Press home page: <http://www.leevalley.co.uk/plutopress>



# I N T H E A R T S

## Not playing in a theater near you

*Despite its absence from American cineplexes, world cinema is enjoying a renaissance.*

By Jonathan Rosenbaum

There's a new kind of factoid at large in this country on the subject of foreign films. At a time when Americans have retreated into cultural insularity and isolationism as seldom before, one repeatedly hears the same list of reasons for foreign films' near invisibility in this country: The quality of world cinema is at an all-time low; Americans can no longer bear to sit through movies with subtitles; Americans went to European movies in the past only in order to see bare skin, and ever since American movies became sexually explicit, this market has drastically dwindled; and there are no exciting new movements in world cinema to compare with Italian neorealism, the French New Wave, Brazilian *cinema novo* or the new German cinema.

That none of these claims (with the arguable exception of the second) is even

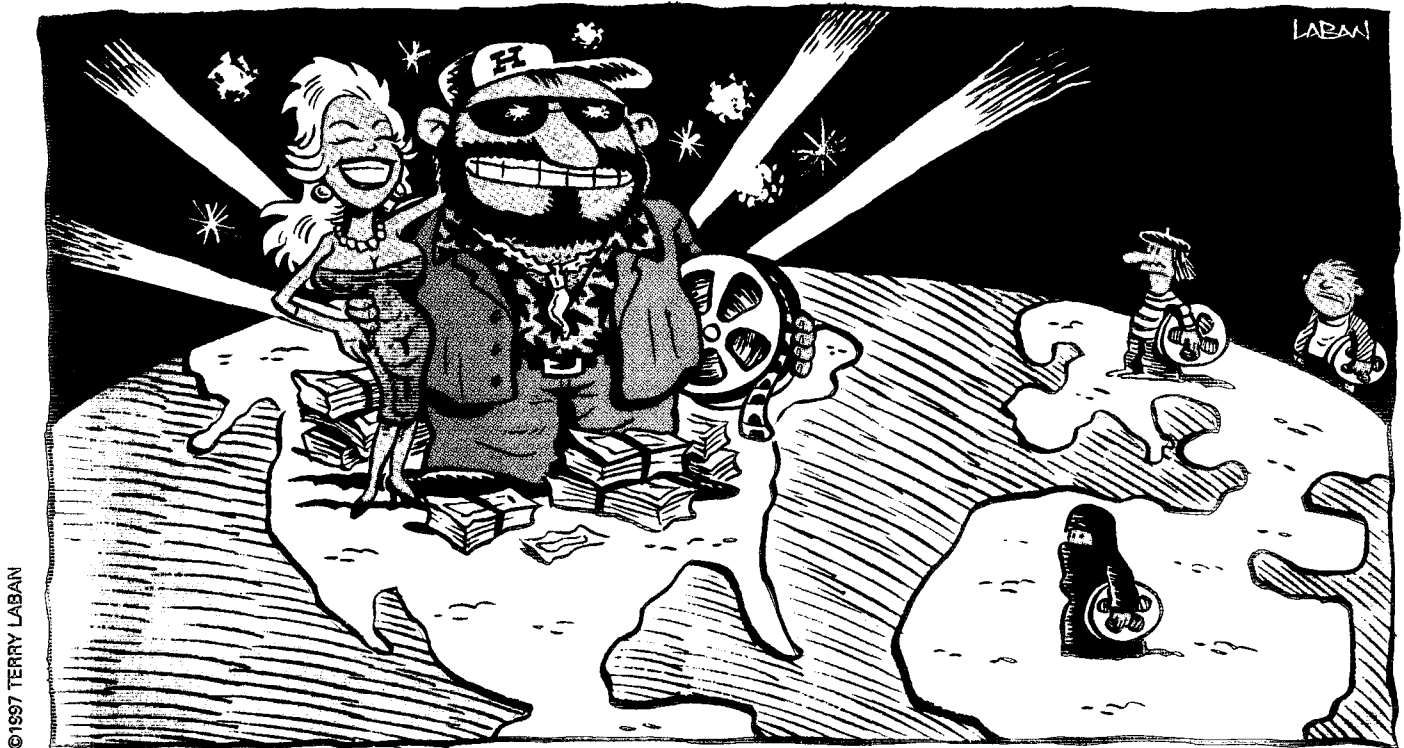
remotely true shouldn't be too surprising, because the "experts" who give voice to them typically define their expertise institutionally: If the statement is being made in the *New York Times*, *Esquire* or *The New Yorker*, then it must have some factual basis. The prevailing philosophy seems to be out of sight, out of mind—and anything not for sale within our borders is by definition out of sight. Practically speaking, this means that the only opinions that matter are not those of these critics—Susan Sontag, *New York* magazine's David Denby and the *New Yorker's* Terrence Rafferty are three recent examples—but those of the people who acquire films for major U.S. distributors.

To be fair, Sontag—unlike Denby and Rafferty—attends a certain number of overseas film festivals, and therefore has some basis for her laments. But missing from her arguments in "The Decay of Cinema," an essay that appeared in the *New York Times Sunday Magazine* last February, are such recent and important names as Souleymane Cissé, Hou Hsiao-hsien, Abbas Kiarostami, Stanley

Kwan, Mohsen Makhmalbaf, Béla Tarr and Edward Yang. These figures, who all have substantial reputations abroad, have almost no profile at all in the United States simply because no big-time distributor has chosen to invest large sums of money in promoting them. (The small but courageous distributor Cinema Parallel has given some limited play to Tarr's stunning, seven-hour *Sátántangó*, with only token recognition in the press.)

Significantly, the original version of Sontag's essay, published in many other countries and languages, mentioned Béla Tarr twice. A *Times* editor omitted both references, along with allusions to several other foreign directors—Theo Angelopoulos, Miklós Jancsó, Alexander Kluge, Nanni Moretti, Krzysztof Zanussi—who have not found much favor in recent years with *Times* reviewers or U.S. distributors. Conversely, the *Times* version of Sontag's essay includes references to Francis Ford Coppola and Paul Schrader that weren't in the original version. (They're cited as "artistically ambitious American directors" who haven't been able "to work at their best level" because of "the lowering of expectations for quality and the inflation of expectations for profit" in this country.) In other words, to make it into the mainstream media, even an article on Hollywood's ruinous effect on world cinema has to reproduce the very phenomenon it decries.

Academic film study would ideally call attention to such artists as those excised from Sontag's list and those on mine. But it is hamstrung by the notion infecting numerous academic disciplines that canons are intrinsically wrong. This belief has hardly made canons disappear—inevitably, a few films are studied far more often than the rest—but it has



made it impossible to intelligently expand and update them. So the canons that still function in film schools are 10 years to 20 years out of date.

This tunnel-vision reckoning misses not only a lot of important movies, but also an historical and economic understanding of our current plight. America was introduced to foreign films largely by two Roberto Rossellini masterpieces of the mid-'40s, *Open City* and *Paisan*, each of which grossed close to a million dollars—an enormous sum in those days—and neither of which, pace Terrence Rafferty, qualified as a skin flick. By the late '60s, there were more than 1,000 art theaters in this country showing foreign films. This success story had less to do with the quality of foreign films, however, than with the enforcement of certain antitrust laws.

It all started in 1938 when the U.S. government filed an antitrust action against Paramount Pictures for its monopoly of movie theaters, arguing that a studio that controlled theaters to show its own product was exercising an unfair advantage over smaller, independent exhibitors. This suit created new space for independent theaters. By the early '60s, these theaters—which usually rented films for a flat rental fee rather than for a percentage of ticket sales—were flourishing in the more open market. These were the theaters that showed foreign pictures, revivals and eventually midnight movies—three forms of exhibition that grant programmers a lot of creative freedom. Sontag waxes nostalgic about the movies made in the '60s, but she forgets about the existence of theaters that could show them.

What happened to those theaters? When Ronald Reagan took office in 1981, he stopped enforcing the antitrust laws,

and no subsequent administration has started up this process again. Corporate control of theaters matched by corporate control of the media yields a playing field where Hollywood is literally the only game in town. This may not seem apparent at first if one factors in the handful of “blockbuster” foreign films, most of them in English, handled by Miramax—the largest U.S. distributor of foreign films and a Disney subsidiary famous for its zeal in recutting some pictures and burying others. But smaller distributors of foreign films have to depend on independent first-run theaters like the Angelika in New York and the Music Box in Chicago, and there are painfully few of these left today. The simple reason why more foreign pictures don't play in this country is that there aren't enough independent theaters left to show them.

Have foreign pictures really declined in quality? That's a pretty sweeping generalization to make about all the movies produced outside this country, especially on the basis of the small fraction any individual is able to see. Based on the half dozen or so international festivals that I attend annually—as well as the hundred or so additional titles I see as a member of the New York Film Festival's selection committee—I can't see any reason for making such a claim.

Taiwanese filmmaking, for instance, is going through an especially rich period. Taiwan spent most of the past century under martial law; since 1987, democracy has enabled its filmmakers to reflect on their own individual and collective history for the first time. This freedom has also led irresistibly to a fresh look at today—a capacity to view the present in historical perspective that parallels some of the achievements of the Italian neorealists and the French New

Wave directors without in any way duplicating them.

This development can be clearly seen in the work of both Hou Hsiao-hsien and Edward Yang. Hou's masterful trilogy about Taiwan in the 20th century couples each period covered with a separate art form. *City of Sadness* (1989) explores still photography and the four years between the end of World War II and the retreat of the Kuomintang to Taiwan. *The Puppet Master* (1993) encompasses the first 36 years in the life of puppet master and stage actor Li Tienlu (1909-1945). The trilogy concludes with *Good Men, Good Women* (1995), which takes on the cinema itself, harshly contrasting the political convictions of an anti-Japanese guerrilla in China in the '40s with those of a film actress about to play her in the present. Hou followed the trilogy with last year's devastating *Goodbye South, Goodbye*, a contemporary tale about entrepreneurial gangsters in Taiwan's backwaters that vividly evokes the rootless horror of what business is currently doing—physically, culturally and emotionally—to Asia.

This progression is closely paralleled by Edward Yang's development. His nearly four-hour *A Brighter Summer Day* (1991) is arguably the greatest Taiwanese movie to date, charting events in the early '60s that led to the murder of a 14-year-old girl by her former boyfriend and classmate, and dealing with such subjects as the anti-communist White Terror, rival boys' gangs, and the impact of Elvis Presley on Taiwanese youth. Yang's two subsequent features, *A Confucian Confusion* (1994) and *Mahjong* (1996), are both ambitious, multicharacter mosaics about the impact of capitalism on Taiwanese life and culture. But none of Yang's or Hou's films has acquired a U.S. distributor.

Much as Hou and Yang dominate the Taiwanese New Wave, Abbas Kiarostami and Mohsen Makhmalbaf are the two outstanding masters of Iranian cinema. Both of them, hampered at times by constraints at home, enjoy wide recognition elsewhere, especially at film festivals. In 1969, Kiarostami, a middle-class director of TV commercials, set up a film unit at the state-run arts and education organization launched by the shah's wife and known today as the Kanun, which has produced nearly all his films. His 10 or so shorts—about half his output—are mainly comic lessons for children that are both formally playful and conceptually inventive, and comparable to some of the best experimental filmmaking done anywhere. His recent features include singular documentaries about schoolchildren and the trial of an imposter who impersonated Makhmalbaf (*Homework* and *Close-Up*, both 1990), and an extraordinary trilogy set in a village in northern Iran that, after the first feature, suffered a serious earthquake (*Where Is My Friend's House?* (1987), *Life and Nothing More* (1992), and *Through the Olive Trees* (1995)). Combining elements of fiction and documentary, and concentrating on the complex interchanges between filmmakers and ordinary people, Kiarostami's work in the '90s conveys a cosmic and often comic view of everyday life that arguably places him on a level with Jean Renoir,

Satyajit Ray, Akira Kurosawa and the best of the Italian neorealists. But in this country, he's known only as the screenwriter of Jafar Panahi's *The White Balloon*.

Far more eclectic and mercurial than Kiarostami, Makhmalbaf—a working-class political activist who was imprisoned by the shah for five years when he was 17 (an event depicted in his latest feature, *A Moment of Innocence*)—started making films in 1982. I've seen nine of his 14 features, and no two are alike. From the potent neorealism of *The Peddler* (1986) to the troubled expressionism of *The Marriage of the Blessed* (1988), the quirky modernism of *The Actor* (1992) and the colorful magical realism of *Gabbeh* (1995), Makhmalbaf has remained a restless explorer who has had many brushes with Iranian censors—at least three of his features have been banned outright—while remaining something of a populist hero among Iranian filmgoers. (Kiarostami, by contrast, is regarded by many of his compatriots more ambivalently, in part because he was “discovered” by Europeans and is felt by some to cater to Western tastes.) While it would oversimplify matters to call him the Iranian Scorsese, Makhmalbaf's troubled and ambiguous relationship to his Islamic background does suggest a few parallels to Scorsese's Catholicism. More recently, in *Salaam Cinema* (1994) and *A Moment of Innocence*, his reflections on his own status as a filmmaker suggest that he has been marked by Kiarostami, but has fully integrated this influence into his own humanist vision.

But almost all these developments will remain unremarked in the American mainstream. Yes, Miramax did pick up Kiarostami's *Through the Olive Trees*, but it then handled the film so dismissively that it was impossible for word about Kiarostami's sublime cinema to get out. *The New Yorker* didn't even bother to come up with a capsule review for the film (or, for that matter, for André Techiné's *Thieves*, arguably the major French feature of 1996). One can safely bet that Kiarostami, Makhmalbaf, Hou, Yang and the others on my short list, all missing from the third edition of David Thomson's *A Biographical Dictionary of the Cinema*, won't make it into the fourth edition either.

Hollywood has a vested interest in keeping things exactly as they are. Declaring the death of world cinema is just another ruse for keeping its monopoly alive. Some of its co-conspirators are even more ingenious: Those who made it to *Special Effects*, a 40-minute Omnimax infomercial for the release of the “special edition” *Star Wars* trilogy will have noticed in an opening title that it received major funding from the National Science Foundation. Nice to see our tax dollars going to help George Lucas pay the rent. And nice to see the *New York Times* looking out for its readers by keeping Béla Tarr and all those other unfamiliar names out of Sontag's prose. ◀

Jonathan Rosenbaum is the film critic for the *Chicago Reader*. His latest book, *Movies as Politics*, will be published by the University of California Press in June.



# I N P R I N T

## Deng's legacy

By James North

Over the next decade, many of the world's major news stories will concern China. The country's phenomenal transformations during the past 20 years and its stupendous economic growth have shaken up the global economic and political order in some astonishing ways. As the smoke starts to clear away, some old tensions are easing, but new sources of conflict are emerging, creating new alliances that would have been unimaginable a few short years ago.

Until Mao Zedong's death in 1976, China tried to follow a policy of economic self-reliance, closing itself off from the outside world. But with the rise of Deng Xiaoping starting in 1978, China rejoined the global economy. Today, thickets of construction cranes cover Shanghai, Beijing, Guangzhou and smaller cities, and it sometimes seems that a majority of the clothing, toys and other less expensive manufactured products on sale in the United States bear the label "Made in China." Chinese exports have shot up so dramatically that the country's trade surplus with the United States has reached \$30 billion, surpassing even Japan's.

The transformation has brought about a dramatic global political realignment. Multinational corporations from the United States and elsewhere have become fervent champions of China's still nominally Communist regime, confident that the country they once vilified will both buy the goods they are having trouble selling elsewhere and furnish them with a cheap and disciplined labor force.

In the United States, China's new friends at Boeing and Caterpillar face a divided opposition: labor activists, who are massively outspent by corporate lobbyists; the remnants of the exiled Chinese dissident movement; a few score outnumbered congressional liberals; and the odd cranky right-wing newspaper columnist. One reason the movement is still weak is the lack of vocal dissidents within China itself, who could embody and symbolize resistance. Nearly unnoticed, the Beijing regime has silenced its last internal critics, sending

heroic figures like Wang Dang and Wei Jingsheng back to prison for long terms and cracking down on even oblique criticism in China's press and much-praised movie industry.

Yet to the visitor to China, it is clear that the regime is by no means on the verge of collapse. The economy is growing, people are working, and, yes, the trains run on time. In many ways, the country is thriving, the envy of almost any other Third World nation. So why the uprising at Tiananmen Square in 1989? Why the need to silence dissidents today?

Maurice Meisner is an experienced Sinologist, a professor of history at the University of Wisconsin, and a man of evident democratic-socialist views, sympathetic to China's 20th-century revolution but unsentimental enough to acknowledge the crimes of the Maoist period. He has produced a comprehensive, sharply written survey of China's recent history that will prove an indispensable guide to the future.

Meisner argues that the combination of economic growth and political repression appears paradoxical only because Americans, even—perhaps especially—leftists, have a distorted view of Maoist China. This view goes roughly like this: The Communists came to power in 1949, carried out successful land reform that increased agricultural productivity, but then failed to industrialize the country. China degenerated into a repressive dictatorship that nearly ate itself alive during the Cultural Revolution, an economically disastrous 10-year period of chaos that only ended with Mao's death.

Meisner does not defend the Maoist repression. But he points out a striking feature of the Maoist period at odds with conventional wisdom: It was agriculture that stagnated, while Chinese industry, despite the political upheavals, expanded, growing at an average rate of 10 percent per year even during the Cultural Revolution. "China transformed itself into a major industrial power in a period of a quarter century," he writes. "The Mao period was one of the great modernizing epochs in world history, comparable to the most intensive periods of industrialization of Germany, Japan and Russia."

This revised history enables us to understand the Deng Xiaoping period much better. Meisner divides the Deng era into two phases: from 1978 to the mid-'80s, and from the mid-'80s to the present. In the first, changes in the government's agricultural policies, including higher prices for grain, prompted an explosion of rural productivity, in which grain production increased by

**THE DENG  
XIAOPING ERA**  
AN INQUIRY INTO THE FATE OF  
**CHINESE  
SOCIALISM**  
**1978-1994**  
**MAURICE MEISNER**

The Deng Xiaoping Era:  
An Inquiry into the Fate  
of Chinese Socialism  
1978-1994

By Maurice Meisner  
Hill and Wang  
544 pp., \$30

nearly 7 percent annually. Meisner describes these years as "perhaps the most economically successful period in the history of Chinese agriculture." At the same time, the regime relaxed the Maoist ban on small traders, which further boosted incomes in the countryside.

**M**eisner argues that the main successes of Deng's reforms came in this early period, before the massive foreign investments of the late '80s and '90s. The second phase, he suggests, has been much more problematic. Foreign investment, while substantial, has been concentrated in the eastern coastal cities, dramatically widening the regional inequalities that Mao's government, for all its faults, had tried to narrow. An estimated 100 million migrants have left their homes in the hinterland and headed for coastal factories and building sites, where they work in dangerous and exploitative conditions to create all those "Made in China" goods we find in our stores. Not all find work. Unemployment, crime and social disorganization are on the rise, and Shanghai and Guangzhou are beginning to resemble Rio de Janeiro and Calcutta.

Yet clearly, many Chinese have benefited from the second phase of Deng's reforms. They stroll the streets of the coastal cities, smartly tailored, talking into cellular phones. The Western press often portrays this group as courageous entrepreneurs, challenging Communist orthodoxy; their

major opponents are supposed to be the old regime's corrupt bureaucrats, who demand payoffs to allow modern commerce to proceed.

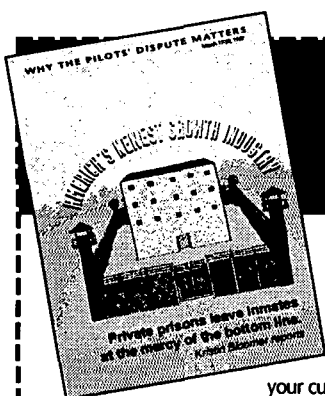
Not so, says Meisner. More often than not, the corrupt bureaucrat and the entrepreneur are one and the same. As in Russia—but so far, more decorously—the old Communist elite is converting itself into what Meisner calls "bureaucratic capitalists." Party functionaries, from children of the most senior officials (including Deng's son, Deng Pufang) to village-level bosses, have used their privileged access to state resources and inside information to set themselves up comfortably in the emerging capitalist economy. One group of senior officials, for example, imported tens of thousands of vehicles and millions of televisions duty-free into a special zone, Hainan Island, and then resold them elsewhere in the country for handsome profits. At a more modest level, rural party officials seized much of the best land and some of the small industries after the communes were broken up in the '80s.

**O**ne distinctive feature of the Chinese political economy, however, may mitigate the polarization of this emerging class structure. Township and village enterprises (TVEs), often influenced by Maoist collective ideals, have been set up all over rural China. Rather than join the migratory flood to the cities to make stuffed bears for the rich world, more than 100 million people work in TVEs, producing tools and other capital goods that China needs to develop.

There is much to admire in the TVEs, but, Meisner cautions, they "operate in a larger market economy and must conform to the rules of the capitalist market, including the exploitation of wage labor." He concludes that "China's socialist future, if there is to be one, will not evolve from the existing sociopolitical system but rather in popular resistance to it. It will not come as a result of the maturation of the reformed economy, as the regime still vaguely promises, but in a democratic struggle against the social consequences of capitalism."

Meisner's prognosis is not as gloomy as it may sound. Ten years ago, one of the Western business press's favorite "miracles" was South Korea, where a disciplined military government was supposedly guiding a reliable and docile population, infused with a Confucianist work ethic, to record growth. The Korean miracle was real, but the nation of Confucianist robots on which it was purportedly based was not. In 1987, the Korean people surged into the streets, forcing the military regime from power. Since then, vigorous labor and citizens movements have kept civilian governments relatively honest, just recently winning a key battle over labor legislation. The 1989 uprisings in Tiananmen Square and elsewhere may well have been only the first skirmish in a similar struggle in "bureaucratic capitalist" China.

James North has reported for *In These Times* from Asia, Africa and Latin America. His forthcoming book, *Structures of Sin*, is about the inequality between industrialized nations and the Third World.



## Subscribe to ITT!

☐ **NEW SUBSCRIPTION.** You'll receive your first issue in 4-6 weeks. Please check price and terms below. **AST1**

☐ **RENEW NOW.** We'll extend your current subscription for as long as you like.

This saves you worries about expiring and helps us save money and the environment by not sending renewal notices and bills. **ART1**

NAME \_\_\_\_\_

ADDRESS \_\_\_\_\_

CITY/STATE/ZIP \_\_\_\_\_

### PRICES & TERMS

- ☐ One year, 26 issues of *In These Times*: \$36.95  
☐ Six months, 13 issues: \$19.95    ☐ Institutional, one year: \$59.00  
☐ Payment enclosed    ☐ Bill me

Canadian orders, add: \$27.50 (one year), \$13.50 (six months) postage.  
 All other foreign orders add: \$41.00 (one year), \$20.50 (six months).

Mail to: IN THESE TIMES Customer Service, 308 Hitt St., Mt. Morris, IL 61054  
 For credit card orders call: 1-800-827-0270

# CLASSIFIEDS

## ▶ HELP WANTED

**IN THESE TIMES** seeks volunteer interns with an interest in progressive politics and independent publishing to do research, proofreading and other editorial tasks. Send résumé and cover letter to Deidre McFadyen, ITT, 2040 N. Milwaukee Ave., Chicago, IL 60647.

**ADVERTISING INTERN:** ITT seeks intern with an interest in independent publishing to work on media kits, follow-up, classifieds, invoicing and other advertising tasks. Send résumé and cover letter to Pat Gray, ITT, 2040 N. Milwaukee Ave, Chicago, IL 60647, Call (773) 772-0100, x236.

**EXECUTIVE DIRECTOR:** Citizens' Environmental Coalition, NYS grassroots environmental group (pollution, citizen assistance, labor/environmental justice). Effective foundation fundraising & grassroots organizing required. \$28,500/up based on experience. Excellent benefits/health. Send

résumé, writing sample, 3 references CEC, 33 Central Ave., Albany, NY 12210, FAX: 518-465-8349 by 5/30/97. Union Shop/Affirmative Action Employer.

**COMMUNICATIONS REPRESENTATIVE** for public employee labor union. Knowledge of and/or experience in internal and external communications and public relations. Salary negotiable depending on experience. For further information, call 1-800-252-6732. Send

résumé with samples of work by April 18th to OSEA, P.O. Box 4027, Salem, OR 97302.

**THE PLAINDEALER**, an independent, labor paper in Wichita, Kansas, is looking for an editor. Requirements: journalism training or experience, commitment to organized labor, union experience a plus. Send résumé and letter of application to Harold P. Schlechtweg, c/o Plaindealer, 3830 S. Meridian, Wichita, KS 67217. Phone (316) 522-8228.

**\$1000's POSSIBLE READING BOOKS.** Part Time. At Home. Toll Free (800) 218-9000. Ext. R-3077 for Listings.

**UNION SEEKS PROFESSIONAL** for position involving journalism, desktop publishing, worker education & workplace safety. Send résumé & writing samples to: UFCW Local 342-50, Safety Dept., 166 East Jericho Tpke., Mineola, NY 11501.

**COMMUNITY JOBS:** The Employment Newspaper for the Non-Profit Sector. Join over 50,000 job-seekers in reading a unique monthly publication containing more than 200 new job listings (in Environment, Arts, International, Health, Youth, Civil Rights, Housing, Human Services, etc.). Featuring informative articles, book reviews, resource lists, profiles of nonprofit organizations and the people who found them. Contact: Community Jobs, 1001 Connecticut Ave. NW, Ste. 838, Wash., DC 20036.

## ▶ PUBLICATIONS

**DO YOU HAVE** spanking fantasies? We do—hundreds—and ours are for sale. Romantic, erotic, disciplinary, wherever the muse wanders. For a 24-page catalogue send \$3.00 to CF Publications, Box 706TT, E. Setauket, NY.

## MEXICO ELECTIONS

Reality Tour June 29 - July 9

**DEMOCRACY?** Decide for yourself! Support Mexico's civic movement by participating in election monitoring in DF, Oaxaca, Chiapas & Guerrero.

GLOBAL EXCHANGE • 800-497-1994

## New Political Science

Radical scholarship on today's political issues.  
Special price! \$25 for 4 issues

Gvt Dpt., Suffolk Univ.,  
Boston, MA 02108  
617-573-8126



...will travel.

We specialize in working on behalf of citizens in difficult circumstances abroad.

Inquire: Quintin  
2701 University Avenue, Suite #352  
Madison, WI USA 53705

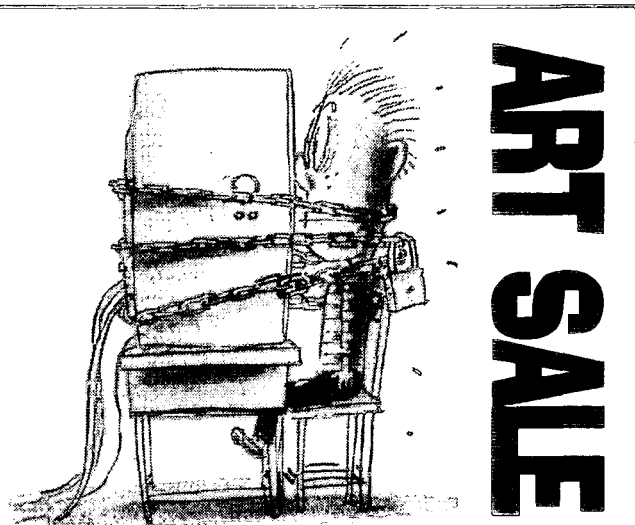
## JEWISH CURRENTS

April, 1997 Issue

"Palestinians and Israelis: Ups and Downs," editorial; "The Workmen's Circle/Arbeter Ring: Entering Its Second Century," Mark Mlotek; "Post Hebron Post Mortem," Mitchell Silver; poems on the Holocaust from Camp Kinderland.

Single issue: \$3 (USA only).  
Subscription: \$30 yearly (USA only).

JEWISH CURRENTS  
Dept. T, Suite 601,  
22 E. 17 St., New York, NY 10003.



- ♦ Most illustrations, cartoons and collages appearing in In These Times are available for reprint.
- ♦ Many originals are available for purchase.
- ♦ In These Times illustrators are available for hire on a freelance basis.

**Call (773) 772-0100, x245**



**EXECUTIVE DIRECTOR:** Citizens' Environmental Coalition, NYS grassroots environmental group (pollution, citizen assistance, labor/environmental justice). Effective foundation fundraising & grassroots organizing required. \$28,500/up based on experience. Excellent benefits/health. Send résumé, writing sample, 3 references CEC, 33 Central Ave., Albany, NY 12210, FAX: 518-465-8349 by 5/30/97. Union Shop/Affirmative Action Employer.

#### ► FOR RENT

**CHICAGO—SMALL OFFICE SPACE** available for business or personal use. \$150/month includes utilities. Use of office equipment negotiable. Call Jim Weinstein at (773) 772-0100, ext. 223.

#### ► LOCAL/GLOBAL

**"ALUMINUM ANONYMOUS"**—Act locally, act globally to hold nation's breweries to greater accountability. Networking newsletter. Dennis Brezina, PO Box 683, Chesapeake City, MD 21915.

#### ► WANTED

**SUCCESSFUL GRASSROOTS** organizing against the Right. True accounts sought for book on this subject by leftist activist/journalist. Young, P.O. Box 565, Xenia, OH 45385-565.

#### ► BUMPER STICKERS

**"DON'T BLAME ME, I VOTED FOR RALPH."** \$2.50. NY residents add 8.25% sales tax. M.A.R.S. Services, P.O. Box 796, Bridgehampton, NY 11932.

#### ► FOREIGN LANGUAGES

**SPANISH, CULTURE, TOURS,** at Escuela Azteca. Summer in beautiful Cuernavaca. \$220 two weeks. Intensive grammar all levels. Weekend

tours. Minicourses with Ross Gandy, Ph.D. (Mexico: Reform or Revolution?). Live with Mexican family. For brochure: call (52-73)-15-24-69. Address: ESCUELA AZTECA, Apdo. Postal 76-005; 04201 Mexico, D.F.

**SPANISH IN GUANAJUATO**—Two weeks, \$255. Instituto Falcon, Jorge Barroso, Mora 158, Guanajuato, Gto 36000, Mexico. Ph/Fax: (473) 2-36-94. <http://www.infonet.com.mx/falcon>.

**A PEOPLE VACATION** in beautiful Guatemala. Personalized Spanish classes at indigenous owned school. Volunteer opportunities. Fantastic excursions. R&B with local family plus 5 hrs/day of classes is \$130/wk. Contact CBA, 1432 Elizabeth Street, Lexington, KY 40503, (606) 278-5008. E-mail [pwuff@uky.campus.mci.net](mailto:pwuff@uky.campus.mci.net).

#### ► MISCELLANEOUS


**ABOLISH ZOO PRISONS.** No Animals in carnivals, circuses. Contact PO Box 428, Watertown, NY 13601-0428 or (315) 782-1858.

**WANTED—HERMAN MILLER** catalogs & ephemera and any other modern design/furniture/photography related books. Also always buying any woodcut novels/stories without words by Ward, Masereel, Patri, etc. Contact Kit Boyce 773-769-3190.

#### ► PERSONALS

**EROTIC, INTELLIGENT,** imaginative conversation—Discreet, personal and pleasurable. Please inquire (617) 661-3849.

**GOOD VIBRATIONS**



Friendly, Informative catalog of sex toys, books & videos, \$4.

1210 Valencia #1T  
San Francisco, CA  
94110

**CHIAPAS**

**CHALLENGING HISTORY**

INDIGENOUS VIEWPOINTS ON THE POLITICAL SITUATION IN SOUTHERN MEXICO

SPECIAL EDITION OF AKWE:KON JOURNAL.

SINGLE ISSUE: \$14.00 PPD. ONE-YEAR SUBSCRIPTION: \$18.00 (U.S.) CHECK/VISA/MC TO:

300-IT CALDWELL HALL,  
CORNELL UNIVERSITY, ITHACA, NY 14853

Concerned links compatible  
Singles singles who care  
New: **FPO** peace,  
justice,  
equity,  
and  
environment.

Nat'l  
All ages •

FREE SAMPLE: Box 555-IT  
Stockbridge MA 01262 or (800) 370-5040

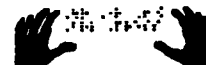
**Socialist**

A democratic socialist view of life and politics from the Socialist Party USA.

\$9.00 per year (6 issues).

516 W. 25th St. #404, NY, NY 10001  
(212) 691-0776

**Our Right To Know  
Braille Press, Inc.**



For blind and print-handicapped persons. Fil-FREEDOM IDEAS INTERNATIONAL, a quarterly review of minority and independent publications, includes selected articles from IN THESE TIMES. Produced by Our Right to Know Braille Press, Inc., on 4-track 15/16 ips cassette tape.

A 4-issue subscription costs \$5.

**Our Right to Know  
Braille Press, Inc.**  
640 Bayside, Detroit, MI 48217  
(313) 842-1804

**STUDY IN CUBA**

- Language Instruction at the University of Havana
- Cultural Immersion
- Salsa y playa

**OFFERED MONTHLY**

**GLOBAL EXCHANGE 1.800.497.1994**

**IN THESE TIMES**  
classified ads work  
like your own sales force.

<b>Word Rates:</b>	<b>Display Inch Rates:</b>
95¢ per word / 1-2 issues	\$30 per inch / 1-2 issues
85¢ per word / 3-5 issues	\$28 per inch / 3-5 issues
80¢ per word / 6-9 issues	\$26 per inch / 6-9 issues
75¢ per word / 10-19 issues	\$24 per inch / 10-19 issues
65¢ per word / 20+ issues	\$22 per inch / 20+ issues

Classified ads must be prepaid. Send your copy, coupon, and payment to:  
IN THESE TIMES, Classified Ads, 2040 N. Milwaukee Ave., Chicago, IL 60647.

Enclosed is my check for \$\_\_\_\_\_ for \_\_\_\_\_ issue(s).

Please indicate desired heading \_\_\_\_\_

Advertiser \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

**Thomas Paine**  
VIDEOCASSETTE

This educational, "very informative," and "fascinating" 40-minute video, written and hosted by Thomas Paine Scholar Carl Shapiro, was telecast via cable TV throughout northern New Jersey in the spring of 1992. In this original, unedited video, the essential meaning of Paine's extraordinary career as revolutionary writer and foremost exponent of democratic principles is recounted in a presentation "sure in its content" and clear in its delivery. A discussion of little-known but significant incidents in Paine's life adds immeasurably to this memorable video.

VHS cassette, \$25.00 ppd. (USA)

**INDEPENDENT PUBLICATIONS, P.O. BOX 102, RIDGEFIELD, NJ 07657**

Continued from page 40

from the inner city or Latin America. And that's as high as the media want to go, lest they embarrass the people of like fortune with whom the media moguls play golf and attend charity galas.

The fact is that for many years various government agencies, including the CIA, have played roughly the same role in the drug trade that the Department of Agriculture plays in the pork-belly markets. There is a rich body of civilian literature about this, backed up by a considerable amount of official paper and whistle-blowings by insiders. Recent reports in the *San Jose Mercury News* about how crack got to L.A. only add to this brimming dossier.

I'm also bullish on weapons. See what just happened in L.A.? The bank robbers had big guns, so now the cops want big guns. The favorite solution to every problem in America is to move more product. With the world busting up into feuding ethnic islets, everyone and his enemy need heat. And how are you going to tell the shooters apart if they're not wearing team T-shirts and matching felony sneakers? As for the soybeans, they're healthy and can be made to conform with every group's dietary laws and favorite flavors.

Dear ITT Ideologist,

I've got to update my atlas every week. Any time I turn my head, there's a new country that not even Clinton's DNC cadgers have heard of. Not to mention a fresh crisis. I am lately advised, for instance, to avoid Albania, something I have managed to do my whole life without a warning from your State Department. Yours is supposedly the world's sole supercop. What's going on here, anyway?

—Baron Bilderberger von Rothschild, Zurich

Dear Baron,

Well, it looks like the United States has grown tired of being the world's cop. Cops go out on the beat, encounter nasty people, and face danger and abuse. Instead, the United States has opted to become the world's police commissioner. Commissioners leave the day-to-day management of cops to subordinates. They have paneled offices, go to lunch with civic leaders and expect respect. But most importantly, they get good seats on the gravy train.

The reason for this is that the aging American empire has settled into Ottoman-style corruption. It's a mark of imperial degeneracy when leaders tire of the glories of conquest and lounge around taking bribes from the comprador parvenus of once subject states. So we are today awash in scandals in which representatives of the rising trading nations of Asia buy off bits and pieces of the American empire from those pledged to defend and extend it.

Without letting the United States off the hook for its inattentiveness to global duties, it's worth noting that a few Americans in what is amusingly known as the "heartland" (a fellow named McVeigh comes to mind) consider you

and yours, and not us, to be in charge of world affairs. With a certain idiot logic, they blame history—a foreign concept to many Americans—on foreigners. Obviously, their grasp of the subject is somewhat shaky. Whereas you foreigners see the world as a repertoire of ancient ethnic sob stories that keep erupting into the present, they see only the accented villains described by Pat Robertson and dispatched by Chuck Norris. We dismiss their ilk as "conspiracy theorists."

Apart from those few rural refractories, our basic all-American view is that the world is run by and for business. To be sure, we have lately stumbled into problems on this account. Here again, our provincialism is at fault. We have long prospered under the illusion that America was business and business was American. There has now been a belated realization that only the first half of this proposition is true. As you, a baron of the world, are no doubt aware, business is a lady of the evening with no permanent address, let alone long-term commitments.

This fact has become inconvenient, not to say embarrassing, to our political and media elite. They keep celebrating business as the tonic for all ills and then pretending surprise when the miraculous cures are effected in Malaysia instead of in Minnesota. Once, anyone could come here and get rich. Now, anyone who leaves can get even richer. But I'll not burden your barony with any more of our woes. See you at the next secret cabal meeting. ▲

## AVAILABLE from IN THESE TIMES

"In this fine study, Robert McChesney points out that the extent of public participation into communication policymaking is a measure of the level of democracy, and that the U.S. is achieving new records in decline of such participation.... McChesney's work has been of extraordinary importance.... It should be read with care and concern by people who care about freedom and basic rights." —Noam Chomsky

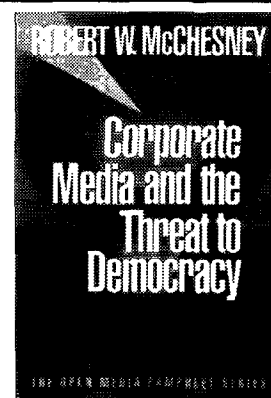
and...

After 25 years, James Weinstein's *The Decline of Socialism in America: 1912-1925* is now out of print. Copies can now be ordered directly from *In These Times*.

*The Decline of Socialism in America: 1912-1925* \$15.95  
*Corporate Media and the Threat to Democracy* \$4.95

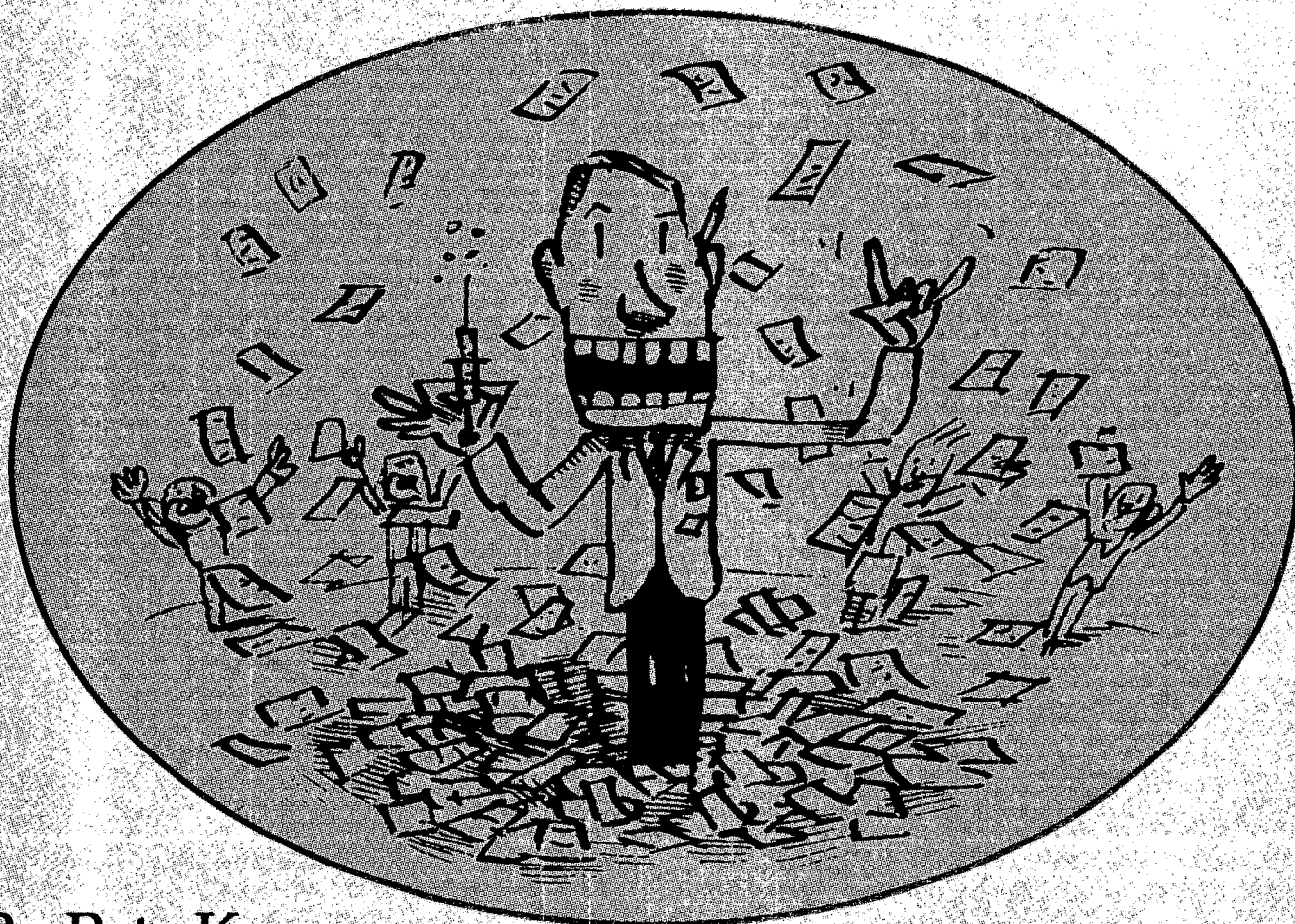
Send payment to: In These Times  
 2040 N. Milwaukee Ave.  
 Chicago, Ill. 60649

Add \$2.00 for shipping and handling





# The wilt of nations



© 1997 PETER HANNAN

By Pete Karman

Dear ITT Ideologist,

Today's game is commerce and comparative advantage. How about some skinny on the commodities markets?

—Bill Daley, Washington, D.C.

Dear Mr. Daley,

I know it sounds conservative, but I would continue to go with illicit drugs, military weapons and printed T-shirts as the primo global trade goods, with fallback positions in sneakers and soybeans.

Dope (specifically cocaine, heroin and the synthetics) still looks good. The United States remains the world's largest market, and government policy is squarely aimed at maintaining the maximum profitability of drugs by way of selec-

tive repression of jive dealers and serious reformers. The drug trade has become like the national debt. Both are treated as evils on the front page and assets on the business page. Bonds are the way you make money on the debt, and banks are the way you do it with dope. If a shady gentleman with a postnasal drip brings \$100 million in filthy lucre to a financial laundry otherwise known as a bank, he can expect more than a toaster and less than a raised eyebrow for opening a Christmas Club account. The only fly in the powder is the revival of marijuana. The last thing the big-time drug industry wants is competition from a beloved stupefiant that any fool can grow in a flower pot.

Needless to say, this is not the view you will get from the newspapers. Illegal drugs have the distinction of being the only global industry that the media choose to cover from the bottom up rather than the top down. Those they brand "drug kingpins" are generally regional marketing managers

*Continued on page 39*

**I N T H E E N D**